

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 UNDER THE SECURITIES
EXCHANGE ACT OF 1934

For 03 February 2014

**Harmony Gold Mining Company
Limited**

Randfontein Office Park
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

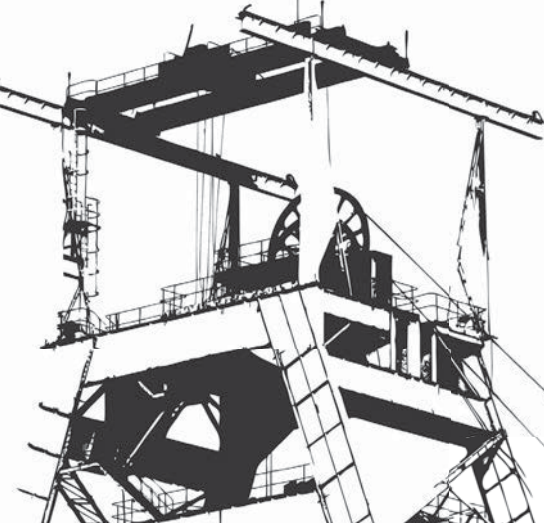
Form 20-F ☒ X

Form 40-F ☐

(Indicate by check mark whether the registrant by
furnishing the information contained in this form
is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.)

Yes ☐

No ☒ X



Harmony Gold Mining Company Limited
("Harmony" or "Company")
Incorporated in the Republic of South Africa
Registration number 1950/038232/06
JSE share code: HAR
NYSE share code: HMY
ISIN: ZAE000015228

Q2 FY14

Results for the second quarter FY14 and six months ended 31 December 2013

KEY FEATURES

Quarter-on-quarter

- ↑ Safety improved quarter-on-quarter
- ↑ Gold production remained steady at 9 515kg (305 913/oz)
 - increase in underground recovered grade of 7% to 4.85g/t
 - Hidden Valley back on track
- ↑ Reduced overall costs quarter-on-quarter
 - cash operating costs decreased by 5% to R308 665/kg (US\$949/oz)
 - reduced all-in sustaining cost from R404 694/kg to R397 503/kg (US\$1 264/oz to US\$1 222/oz)
 - restructured by reducing low grade mining
- ↑ Operating profit¹ decreased from R1 037 million (US\$104 million) to R986 million (US\$97 million)
- ↑ Headline loss per share of 21 SA cents (US\$2 cents)

All figures represent continuing operations unless stated otherwise

¹ Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the operating profit line in the income statement

RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

| | | Quarter Dec 2013 | Quarter Sep 2013 | Q-on-Q % Variance | 6 months ended Dec 2013 | 6 months ended Dec 2012* | % Variance |
|--|-----------|------------------------|------------------------|-------------------------|----------------------------------|-----------------------------------|---------------|
| Gold produced | – kg | 9 515 | 9 635 | (1) | 19 150 | 19 087 | – |
| | – oz | 305 913 | 309 773 | (1) | 615 686 | 613 658 | – |
| Cash operating costs | – R/kg | 308 665 | 324 272 | 5 | 316 517 | 301 393 | (5) |
| | – US\$/oz | 949 | 1 013 | 6 | 981 | 1 108 | 11 |
| Gold sold | – kg | 9 798 | 9 353 | 5 | 19 151 | 19 318 | (1) |
| | – oz | 315 014 | 300 703 | 5 | 615 717 | 621 089 | (1) |
| Underground grade | – g/t | 4.85 | 4.55 | 7 | 4.69 | 4.64 | 1 |
| | | | | | | | |
| All-in sustaining costs | – R/kg | 397 503 | 404 694 | 2 | 401 021 | 396 968 | (1) |
| | – US\$/oz | 1 222 | 1 264 | 3 | 1 242 | 1 459 | 15 |
| Gold price received | – R/kg | 415 532 | 429 566 | (3) | 422 386 | 460 244 | (8) |
| | – US\$/oz | 1 277 | 1 342 | (5) | 1 309 | 1 692 | (23) |
| Operating profit* ¹ | – Rm | 986 | 1 037 | (5) | 2 022 | 3 057 | (34) |
| | – US\$m | 97 | 104 | (7) | 201 | 362 | (44) |
| Basic (loss)/earnings per share* ² | – SAc/s | (21) | 3 | >(100) | (18) | 289 | >(100) |
| | – USc/s | (2) | – | (100) | (2) | 34 | >(100) |
| Headline (loss)/earnings* ² | – Rm | (91) | 20 | >(100) | (71) | 1 205 | >(100) |
| | – US\$m | (10) | 2 | >(100) | (7) | 142 | >(100) |
| Headline (loss)/earnings per share* ² | – SAc/s | (21) | 5 | >(100) | (16) | 280 | >(100) |
| | – USc/s | (2) | 0.5 | >(100) | (2) | 33 | >(100) |
| Exchange rate | – R/US\$ | 10.12 | 9.96 | 2 | 10.04 | 8.46 | 19 |

* Comparative figures in these line items for the six months ended December 2012 have been restated as a result of the adoption of IFRIC 20 Stripping costs in the production phase of a surface mine.

¹ Operating profit is comparable to the term production profit in the segment report in the financial statements and not to the operating profit line in the income statement.

² The six months ended December 2012 include discontinued operations.

| Shareholder information | |
|--|---------------------|
| Issued ordinary share capital at 31 December 2013 | 435 693 819 |
| Issued ordinary share capital at 30 September 2013 | 435 289 890 |
| Market capitalisation | |
| At 31 December 2013 (ZARm) | 11 284 |
| At 31 December 2013 (US\$m) | 1 077 |
| At 30 September 2013 (ZARm) | 15 083 |
| At 30 September 2013 (US\$m) | 1 499 |
| Harmony ordinary share and ADR prices | |
| 12-month high (1 January 2013 – 31 December 2013) for ordinary shares | R75.64 |
| 12-month low (1 January 2013 – 31 December 2013) for ordinary shares | R24.48 |
| 12-month high (1 January 2013 – 31 December 2013) for ADRs | US\$8.88 |
| 12-month low (1 January 2013 – 31 December 2013) for ADRs | US\$2.36 |
| Free float | 100% |
| ADR ratio | 1:1 |
| JSE Limited | HAR |
| Range for quarter (1 October 2013 – 31 December 2013 closing prices) | R24.48 – R36.14 |
| Average daily volume for the quarter (1 October 2013 – 31 December 2013) | 1 180 825 shares |
| Range for quarter (1 July 2013 – 30 September 2013 closing prices) | R32.74 – R42.47 |
| Average daily volume for the quarter (1 July 2013 – 30 September 2013) | 1 680 746 shares |
| New York Stock Exchange including other US trading platforms | |
| Range for quarter (1 October 2013 – 31 December 2013 closing prices) | US\$2.36 – US\$3.67 |
| Average daily volume for the quarter (1 October 2013 – 31 December 2013) | 2 722 889 |
| Range for quarter (1 July 2013 – 30 September 2013 closing prices) | US\$3.30 – US\$4.33 |
| Average daily volume for the quarter (1 July 2013 – 30 September 2013) | 3 824 973 |
| Investors' calendar | |
| Q3 FY14 presentation (webcast and conference calls only) | 7 May |
| Q4 FY14 and year-end live presentation in Johannesburg | 14 August |
| Q1 FY15 presentation (webcast and conference calls only) | 5 November |
| Annual General Meeting | 21 November |



CONTACT DETAILS

Corporate Office

Randfontein Office Park
PO Box 2, Randfontein, 1760, South Africa
Corner Main Reef Road/Ward Avenue
Randfontein, 1759, South Africa
Telephone: +27 (0)11 411 2000
Website: www.harmony.co.za

Directors

P T Motsepe* *Chairman*
M Motloba*^ *Deputy Chairman*
G P Briggs *Chief Executive Officer*
F Abbott *Financial Director*
H E Mashego *Executive Director*
F F T De Buck*^ *Lead independent director*
J A Chissano*¹, K V Dicks*^, Dr D S Lushaba*^,
C Markus*^, M Msimang*^, K T Nondumo*^,
V P Pillay *^, J Wetton*^, A J Wilkens*

* Non-executive

^ Independent

¹ Mozambican

Investor relations team

Email: HarmonyIR@harmony.co.za

Henrika Ninham
Investor Relations Manager
Tel: +27 (0)11 411 2314
Mobile: +27 (0)82 759 1775
Email: henrika@harmony.co.za

Marian van der Walt
Executive: Corporate and Investor Relations
Tel: +27 (0)11 411 2037
Mobile: +27 (0)82 888 1242
Email: marian@harmony.co.za

Company Secretary

Riana Bisschoff
Telephone: +27 (0)11 411 6020
Mobile: +27 (0)83 629 4706
E-mail: riana.bisschoff@harmony.co.za

South African Share Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 (0)86 154 6572
Fax: +27 (0)86 674 4381

ADR Depositary

Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Peck Slip Station
PO Box 2050, New York, NY 10272-2050
Email queries: db@amstock.com
Toll free: +1-800-937-5449
Intl: +1-718-921-8137
Fax: +1-718-921-8334

Sponsor

J.P. Morgan Equities South Africa (Pty) Ltd
1 Fricker Road, corner Hurlingham Road
Illovo
Johannesburg, 2196
Private Bag X9936, Sandton, 2146, South Africa
Telephone: +27 (0)11 507 0300
Fax: +27 (0)11 507 0503

Trading Symbols

JSE Limited: HAR
New York Stock Exchange, Inc: HMY
Euronext, Brussels: HMY
Berlin Stock Exchange: HAM1

Registration number

1950/038232/06
Incorporated in the Republic of South Africa

ISIN

ZAE000015228

Harmony's Integrated Annual Report,
Notice of Annual General Meeting and its
Annual Report filed on a Form 20F with the United States'
Securities and Exchange Commission for the year ended
30 June 2013 were released on 25 October 2013.
www.harmony.co.za/investors

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements. These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgement of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in the countries in which we operate; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions; increases or decreases in the market price of gold; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions; availability, terms and deployment of capital; changes in government regulations, particularly mining rights and environmental regulations; fluctuations in exchange rates; currency devaluations and other macro-economic monetary policies; and socio-economic instability in the countries in which we operate.

CONTENTS

| | |
|----|--|
| 2 | Contact details |
| 4 | Message from the chief executive officer |
| 5 | Financial overview |
| 6 | Operational results (Rand/Metric) (US\$/Imperial) |
| 8 | Commentary on operational results |
| 12 | Condensed consolidated income statements (Rand) |
| 13 | Condensed consolidated statements of comprehensive income (Rand) |
| 13 | Condensed consolidated statements of changes in equity (Rand) |
| 14 | Condensed consolidated balance sheets (Rand) |
| 15 | Condensed consolidated cash flow statements (Rand) |
| 16 | Notes to the condensed consolidated financial statements |
| 23 | Segment report (Rand/Metric) |
| 24 | Operating results (US\$/Imperial) |
| 26 | Condensed consolidated income statements (US\$) |
| 27 | Condensed consolidated statements of comprehensive income (US\$) |
| 27 | Condensed consolidated statements of changes in equity (US\$) |
| 28 | Condensed consolidated balance sheets (US\$) |
| 29 | Condensed consolidated cash flow statements (US\$) |
| 30 | Segment report (US\$/Imperial) |
| 31 | Development results – Metric and Imperial |

Competent person's declaration

Harmony reports in terms of the South African Code for the Reporting of Exploration results, Mineral Resources and Ore Reserves (SAMREC). Harmony employs an ore reserve manager at each of its operations who takes responsibility for reporting mineral resources and mineral reserves at his operation.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

Resources and Reserves South Africa: Jaco Boshoff, Pr. Sci. Nat., who has 18 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP).

Resources and Reserves Papua New Guinea: Gregory Job, BSc, MSc, who has 25 years relevant experience and is a member of the Australian Institute of Mining and Metallurgy (AusIMM).

Mr Boshoff and Mr Job are full-time employees of Harmony Gold Mining Company Limited. These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Mineral Resource and Reserve information as at 30 June 2013 has not changed.

Message from the chief executive officer

Harmony has been in operation for 63 years – and we are positioned to remain sustainable for many years to come. We manage costs and production to ensure profitability at all gold prices. That is what our approach to management is all about. At the same token, changes to our operations and operating parameters are not affected at the expense of safety. Safety is a core value.

We focus on profitable ounces and on operating margins. We reward our mining teams to the extent that they contribute to improving productivity and profitability. We hold our people accountable for the company's safe and profitable operations.

Harmony is sustainable and is thriving with gold in its current price range of US\$1 200/oz to US\$1 250/oz – 20% down on year-ago levels. We are confident that we can continue to manage our operations so as to remain profitable even should the gold price come under further pressure. In fact, five of our mines are very profitable and are thriving at an all-in cost of below US\$1 000/oz. At present Target 1 (US\$854/oz), Bambanani (US\$742/oz), Joel (US\$921/oz), Steyn 2 (US\$811/oz) and Phoenix (US\$861/oz) are each operating at an all-in sustaining costs of less than US\$1 000/oz.

Our group average all-in sustaining cost is less than US\$1 250/oz or lower than the R400 000/kg on which our current near-term strategic planning is based. By this financial year's end (June 2014) we are planning on having reduced our costs to a sustainable average of between US\$1 100/oz and US\$1 150/oz or R380 000/kg. Our core competency is on mining profitably and managing our production and costs. We are nimble enough to respond and adjust to changes.

We have restructured and right-sized Hidden Valley in Papua New Guinea (PNG) so that its costs are now less than US\$1 200/oz. We are continuing to refine our Golpu gold and copper resource knowledge in PNG.

Costs at Kalgold and Unisel are already below US\$1 200/oz, and at Doornkop we have eliminated the unprofitable lowest grade reserves (the Kimberley reef). Target 3 and Masimong will follow suit.

At Kusasaletu and Tshepong we have introduced management and technical changes to increase production and consequently, lower unit costs. Phakisa is on the same road, though it is spending on capital during its production build-up phase.

We have already limited our spending on exploration, corporate overheads, support services, electricity and capital. In the process, Harmony has become South Africa's most productive deep level miner measured in terms of R/tonne costs, which is where we intend to stay.

Harmony's strength has always been its ability to adjust quickly and efficiently to adverse conditions. Harmony has positioned itself to thrive at current prices and provide investors with handsome returns when market conditions improve. We will continue to be able to react optimally to any further adverse market conditions.

1. SAFETY

It is with regret that I report that three employees lost their lives as a result of mine accidents during the quarter, bringing the total amount of fatalities for financial year 2014 to seven. On behalf of management and the Board, I wish to express our sincere condolences to the families and colleagues of Gcinokuhle Vincent Ngqulunga (driller at Phakisa), Sehla Mchithakau (driller at Tshepong) and Vincent Tsoeute (driller at Joel).

The safety performance at Harmony's South African operations improved quarter-on-quarter. Management changes that were already effected at operations and ongoing safety risk training will certainly contribute to an improvement in safety at those operations in future.

Some operations continue to do well in safety, such as Target 3, Bambanani, Steyn 2, Unisel, Tshepong and Target 1, who reached 1 million and more fatal free shift milestones during the quarter.

2. OPERATIONAL AND FINANCIAL RESULTS

Gold production remained steady quarter-on-quarter, with a 7% increase in grade. Gold production for the December 2013 quarter decreased slightly by 1% (120kg) to 9 515kg in comparison to 9 635kg in the September 2013 quarter. Underground recovered grade improved by 7% to 4.85g/t for a third consecutive quarter.

Production at Hidden Valley showed a marked improvement following the restructuring at the mine over the last couple of quarters. Closing the Kimberley Reef at Doornkop resulted in a 13% increase in recovered grade, with Target 1, Bambanani and Unisel performing very well.

Operating profit for the December 2013 quarter was 5% lower than in the previous quarter at R986 million, due to a 3% decrease in the gold price received as well as gold production being stable quarter-on-quarter.

The rand gold price received decreased by 3% from R429 566/kg in the September 2013 quarter to R415 532/kg in the quarter under review. The US dollar gold price decreased by 5% from US\$1 342/oz in the September 2013 quarter to US\$1 277/oz. The rand weakened by 2% against the US dollar in the December 2013 quarter to R10.12/US\$ from R9.96/US\$ in the September 2013 quarter.

Cash operating costs decreased by 6% or R187 million in the December 2013 quarter.

Capital expenditure for the December 2013 quarter remained fairly constant at R640 million (R622 million in the September 2013 quarter). South African operations increased expenditure by 8% or R48 million, whilst Hidden Valley recorded a 61% (R29 million) decrease in capital to R19 million.

Our focus on driving our all-in-sustaining cost lower has resulted in an all-in sustaining cost of R397 503/kg for the December 2013 quarter, a 2% improvement compared to the R404 694/kg recorded in the September 2013 quarter and a 15% improvement over the last three quarters.

3. EMPLOYEE RELATIONS

The Association of Mineworkers and Construction Union (AMCU) sought to proceed with strike action on a number of gold mining operations with effect from 20 January 2014 in relation to the wage agreement that was finalised in September 2013 in the gold sector between the employers and the National Union of Mineworkers, UASA and Solidarity and which was applied to all employees in the represented bargaining units. Together, these three unions represented 72% of employees in the sector. The agreed increases and improved benefits were backdated to 1 July 2013 and all employees, irrespective of union affiliation, have been in receipt of these since September 2013.

On 30 January 2014 South Africa's Labour Court ruled that a strike threatened by the AMCU at our Kusasaletu and Masimong mines would be unprotected, and that employees should continue to proceed to work. The ruling ruled that AMCU must return to court on 14 March 2014 to explain why this interim interdict that was applied for by the Chamber of Mines should not be made permanent.

We welcome this interim ruling and remain firm in the company's belief that the wage agreement is fair and valid. Harmony and the unions can get this industry working. By actively contributing to the success of the company, employees can and will share in its fortunes.

4. WAFI-GOLPU

On 6 December 2013 Harmony and Newcrest announced plans to complete a feasibility study to evaluate an underground exploration programme for the Wafi-Golpu Project in PNG.

This next phase of work requires a feasibility study on underground exploration access and associated underground staging platforms to complete deep underground drilling and bulk sampling of the ore body. Underground access to the orebody through an exploration shaft would generate essential ore body knowledge required to support a future development decision. Geotechnical drilling to identify a suitable exploration shaft location has commenced.

The Johannesburg office of the engineering consulting firm WorleyParsons TWP has been engaged to prepare the feasibility study for the proposed underground exploration access for consideration and approval by the joint venture. Their engagement also includes a review of an associated lower capital expenditure development option for the Golpu deposit to underpin the commercial decision for underground access.

The joint venture anticipates a final investment decision for the proposed underground access during the second half of calendar 2014, subject to receipt of necessary regulatory approvals.

The joint venture also aims to finalise an agreement to provide a framework for the underground exploration phase, ongoing technical and economic studies and, ultimately, the future development and operation of the project.

These planning and study activities are accommodated within the 2014 exploration budget for the project. In parallel to these planning and study activities, the joint venture will continue with investment in the community in the Wafi-Golpu project area.

5. ENVIRONMENTAL MANAGEMENT

Harmony demonstrated an improved performance in the Carbon Disclosure Project year on year since 2010 in both the disclosure and performance leadership indices. This year we maintained a score of 98% (holding a joint third position) Gold rating on the Disclosure Index and an A-Band Platinum rating on the Performance and Leadership Index. Harmony and Anglo American are the only two mining companies of the JSE top 100 that achieved A-Band performance. Of the JSE top 100, only eight companies achieved A-Band ratings.

Graham Briggs

Chief executive officer

Financial overview

Net (loss)/profit

The net loss for the December 2013 quarter was R91 million, compared to a net profit of R13 million in the September 2013 quarter, mainly due to the foreign exchange translation loss recorded on the US\$-denominated loan and gold stock adjustments as a result of more gold sold than produced during the December 2013 quarter.

Other (expenses)/income – net

Included in other expenses in the December 2013 quarter is a loss of R111 million for the foreign exchange movement on the US\$-denominated syndicated loan, resulting from the Rand weakening from US\$/R10.05 to US\$/R10.46 at 31 December 2013.

Non-current assets classified as held for sale

During the December 2013 quarter, Sibanye Gold Limited (Sibanye) made a cash offer to purchase the entire issued ordinary share capital of Witwatersrand Consolidated Gold Resources Limited (Wits Gold). The transaction is subject to regulatory approvals and is expected to be completed within 12 months. The group's investment in Wits Gold has subsequently been classified as a non-current asset held for sale.

Borrowings

During the December 2013 quarter, the Nedbank R850 million facility was refinanced with a new three year R1.3 billion Nedbank facility on substantially the same terms as the previous facility. The new revolving

credit facility matures in December 2016. The outstanding amount on the Nedbank Term Loan of R458 million was settled by drawing against the new facility. The covenants on both the US\$ denominated loan and Rand facilities were renegotiated and are as follows:

- The group's interest cover ratio shall not be less than five times (EBITDA/Total interest);
- Current ratio shall not be less than one (current assets/current liabilities);
- Cash flow from operating activities shall be above R100 million for the six months prior to the evaluation date;
- Total net debt shall not exceed R3 billion plus the rand equivalent of US\$300 million;
- Tangible net worth to net debt ratio shall not be less than six times.

Loss/earnings per share

The earnings per share of 3 SA cents decreased to a loss per share of 21 SA cents in the December 2013 quarter.



OPERATIONAL RESULTS (Rand/Metric) (US\$/Imperial)

| | | South Africa | | | | | | | | | | | | | | | | Total South Africa | Hidden Valley* | Total continuing operations | |
|--------------------------|-----------|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|------------------------|--------------------|--------------------|--------------------|--------------------------|------------------------|-----------------------------------|------------------------|
| | | Underground production | | | | | | | | | | | | Surface production | | | | | | | |
| | | Kusasa- lethu | Doornkop | Phakisa | Tshepong | Masimong | Target 1 | Bamba- nani | Joel | Unisel | Target 3 | Steyn 2 | Total under- ground | Phoenix | Dumps | Kalgold* | Total surface | | | | |
| Ore milled | – t'000 | Dec-13 Sep-13 | 302 329 | 238 236 | 137 156 | 219 249 | 161 189 | 193 191 | 54 51 | 149 159 | 107 108 | 75 82 | 12 12 | 1 647 1 762 | 1 482 1 544 | 755 873 | 364 364 | 2 601 2 781 | 4 248 4 543 | 506 503 | 4 754 5 046 |
| Gold produced | – kg | Dec-13 Sep-13 | 1 140 1 272 | 872 765 | 706 755 | 962 1 049 | 684 758 | 1 241 1 081 | 697 623 | 674 697 | 512 476 | 350 392 | 147 146 | 7 985 8 014 | 217 225 | 226 297 | 315 324 | 758 846 | 8 743 8 860 | 772 775 | 9 515 9 635 |
| Gold produced | – oz | Dec-13 Sep-13 | 36 652 40 896 | 28 035 24 595 | 22 698 24 274 | 30 929 33 726 | 21 991 24 370 | 39 899 34 755 | 22 409 20 030 | 21 670 22 409 | 16 461 15 304 | 11 253 12 603 | 4 726 4 694 | 256 723 257 656 | 6 977 7 234 | 7 266 9 549 | 10 127 10 417 | 24 370 27 200 | 281 093 284 856 | 24 820 24 917 | 305 913 309 773 |
| Yield | – g/tonne | Dec-13 Sep-13 | 3.77 3.87 | 3.66 3.24 | 5.15 4.84 | 4.39 4.21 | 4.25 4.01 | 6.43 5.66 | 12.91 12.22 | 4.52 4.38 | 4.79 4.41 | 4.67 4.78 | 12.25 12.17 | 4.85 4.55 | 0.15 0.15 | 0.30 0.34 | 0.87 0.89 | 0.29 0.30 | 2.06 1.95 | 1.53 1.54 | 2.00 1.91 |
| Cash operating costs | – R/kg | Dec-13 Sep-13 | 389 854 378 360 | 320 533 372 256 | 374 572 359 825 | 352 244 337 704 | 353 671 339 471 | 200 373 240 274 | 199 795 220 342 | 261 521 258 561 | 294 779 320 525 | 383 566 373 446 | 221 871 233 966 | 306 967 319 395 | 279 221 272 796 | 357 916 344 552 | 318 184 325 694 | 318 876 318 246 | 308 000 319 286 | 316 206 381 274 | 308 665 324 272 |
| Cash operating costs | – \$/oz | Dec-13 Sep-13 | 1 198 1 182 | 985 1 163 | 1 151 1 124 | 1 083 1 055 | 1 087 1 060 | 616 750 | 614 688 | 804 808 | 906 1 001 | 1 179 1 166 | 682 731 | 943 998 | 858 852 | 1 100 1 076 | 978 1 017 | 980 994 | 947 997 | 972 1 191 | 949 1 013 |
| Cash operating costs | – R/tonne | Dec-13 Sep-13 | 1 472 1 463 | 1 174 1 207 | 1 930 1 741 | 1 547 1 423 | 1 503 1 361 | 1 288 1 360 | 2 579 2 692 | 1 183 1 133 | 1 411 1 413 | 1 790 1 785 | 2 718 2 847 | 1 488 1 453 | 41 40 | 107 117 | 275 290 | 93 97 | 634 623 | 482 587 | 618 619 |
| Gold sold | – kg | Dec-13 Sep-13 | 1 184 1 098 | 888 796 | 740 742 | 1 009 1 031 | 717 745 | 1 384 986 | 730 613 | 681 693 | 537 467 | 390 358 | 154 144 | 8 414 7 673 | 180 221 | 224 288 | 269 340 | 673 849 | 9 087 8 522 | 711 831 | 9 798 9 353 |
| Gold sold | – oz | Dec-13 Sep-13 | 38 066 35 301 | 28 550 25 592 | 23 792 23 856 | 32 440 33 147 | 23 052 23 952 | 44 497 31 701 | 23 470 19 708 | 21 895 22 280 | 17 265 15 014 | 12 539 11 510 | 4 951 4 630 | 270 517 246 691 | 5 787 7 105 | 7 202 9 259 | 8 649 10 931 | 21 638 27 295 | 292 155 273 986 | 22 859 26 717 | 315 014 300 703 |
| Revenue | (R'000) | Dec-13 Sep-13 | 494 357 471 091 | 364 818 342 177 | 306 991 318 272 | 418 452 442 614 | 297 349 319 160 | 575 876 423 239 | 302 668 263 048 | 283 124 297 079 | 222 669 200 535 | 162 260 153 520 | 63 875 61 532 | 3 492 439 3 292 267 | 75 268 95 253 | 96 949 124 269 | 113 108 146 634 | 285 325 366 156 | 3 777 764 3 658 423 | 293 622 359 304 | 4 071 386 4 017 727 |
| Cash operating costs | (R'000) | Dec-13 Sep-13 | 444 434 481 274 | 279 505 284 776 | 264 448 271 668 | 338 859 354 251 | 241 911 257 319 | 248 663 259 736 | 139 257 137 273 | 176 265 180 217 | 150 927 152 570 | 134 248 146 391 | 32 615 34 159 | 2 451 132 2 559 634 | 60 591 61 379 | 80 889 102 332 | 100 228 105 525 | 241 708 269 236 | 2 692 840 2 828 870 | 244 111 295 487 | 2 936 951 3 124 357 |
| Inventory movement | (R'000) | Dec-13 Sep-13 | 28 010 (86 317) | 12 659 3 625 | 16 146 (6 345) | 22 591 (8 697) | 16 418 476 | 51 668 (34 582) | 12 367 (1 659) | (6 288) (1 589) | 9 603 (2 391) | 28 051 (19 548) | 3 043 (1 020) | 194 268 (158 047) | (11 068) (317) | 143 (4 017) | (13 675) 2 559 | (24 600) (1 775) | 169 668 (159 822) | (20 733) 16 283 | 148 935 (143 539) |
| Operating costs | (R'000) | Dec-13 Sep-13 | 472 444 394 957 | 292 164 288 401 | 280 594 265 323 | 361 450 345 554 | 258 329 257 795 | 300 331 225 154 | 151 624 135 614 | 169 977 178 628 | 160 530 150 179 | 162 299 126 843 | 35 658 33 139 | 2 645 400 2 401 587 | 49 523 61 062 | 81 032 98 315 | 86 553 108 084 | 217 108 267 461 | 2 862 508 2 669 048 | 223 378 311 770 | 3 085 886 2 980 818 |
| Operating profit | (R'000) | Dec-13 Sep-13 | 21 913 76 134 | 72 654 53 776 | 26 397 52 949 | 57 002 97 060 | 39 020 61 365 | 275 545 198 085 | 151 044 127 434 | 113 147 118 451 | 62 139 50 356 | (39) 26 677 | 28 217 28 393 | 847 039 890 680 | 25 745 34 191 | 15 917 25 954 | 26 555 38 550 | 68 217 98 695 | 915 256 989 375 | 70 244 47 534 | 985 500 1 036 909 |
| Operating profit | (\$'000) | Dec-13 Sep-13 | 2 164 7 644 | 7 178 5 400 | 2 609 5 317 | 5 632 9 746 | 3 856 6 161 | 27 227 19 890 | 14 924 12 797 | 11 180 11 894 | 6 140 5 057 | (4) 2 679 | 2 788 2 850 | 83 694 89 435 | 2 544 3 434 | 1 572 2 606 | 2 623 3 871 | 6 739 9 911 | 90 433 99 346 | 6 941 4 772 | 97 374 104 118 |
| Capital expenditure | (R'000) | Dec-13 Sep-13 | 130 309 120 048 | 63 513 60 100 | 98 511 90 762 | 78 740 67 598 | 40 571 37 819 | 64 190 61 509 | 29 220 31 922 | 37 936 42 056 | 24 652 17 228 | 36 768 35 411 | 641 562 | 605 051 565 015 | 931 – | 2 463 129 | 12 607 8 023 | 16 001 8 152 | 621 052 573 167 | 19 082 48 478 | 640 134 621 645 |
| Capital expenditure | (\$'000) | Dec-13 Sep-13 | 12 876 12 055 | 6 276 6 035 | 9 734 9 114 | 7 780 6 788 | 4 009 3 798 | 6 343 6 176 | 2 887 3 205 | 3 748 4 223 | 2 436 1 730 | 3 633 3 556 | 63 56 | 59 785 56 736 | 92 – | 243 13 | 1 246 806 | 1 581 819 | 61 366 57 555 | 1 885 4 868 | 63 251 62 423 |
| Adjusted operating costs | – R/kg | Dec-13 Sep-13 | 408 698 375 072 | 346 101 375 492 | 389 497 364 217 | 367 910 341 375 | 371 109 362 285 | 222 422 232 532 | 216 640 226 822 | 258 728 263 371 | 307 717 329 937 | 422 833 359 871 | 240 307 235 119 | 323 996 321 965 | 275 126 276 299 | 361 752 341 372 | 330 343 321 027 | 326 029 316 285 | 324 163 321 399 | 316 287 376 717 | 323 591 326 314 |
| Adjusted operating costs | – \$/oz | Dec-13 Sep-13 | 1 256 1 171 | 1 064 1 173 | 1 197 1 138 | 1 131 1 066 | 1 141 1 132 | 684 726 | 666 708 | 795 823 | 946 1 031 | 1 299 1 124 | 739 734 | 996 1 006 | 846 863 | 1 112 1 066 | 1 015 1 003 | 1 002 988 | 996 1 004 | 969 1 177 | 994 1 019 |
| All-in sustaining costs | – R/kg | Dec-13 Sep-13 | 533 624 499 528 | 416 838 453 515 | 503 058 497 604 | 458 501 418 042 | 447 878 428 681 | 278 028 306 233 | 241 303 248 992 | 299 632 299 968 | 373 246 380 985 | 526 404 470 106 | 263 910 253 014 | 400 445 400 649 | 280 299 276 299 | 386 310 352 628 | 393 782 359 453 | 360 943 335 492 | 397 713 393 978 | 394 820 514 593 | 397 503 404 694 |
| All-in sustaining costs | – \$/oz | Dec-13 Sep-13 | 1 640 1 560 | 1 281 1 416 | 1 546 1 554 | 1 409 1 306 | 1 376 1 339 | 854 956 | 742 778 | 921 937 | 1 147 1 190 | 1 618 1 468 | 811 790 | 1 231 1 251 | 861 863 | 1 187 1 101 | 1 210 1 123 | 1 109 1 048 | 1 222 1 230 | 1 209 1 607 | 1 222 1 264 |

* Comparative figures for these operations have been restated as a result of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. Refer to note 2 of the Financial Statements.

Commentary on operational results

Quarter-on-quarter

Harmony increased its underground recovered grade by 7% to 4.85g/t, representing a third consecutive quarter of increased grade.

Harmony's production for the second quarter of financial year 2014 compared well with the previous quarter, with a 1% decrease to 9 515kg.

Cash operating costs decreased by 5% to R308 665/kg mainly due to the decrease in the electricity price tariffs, compared to the previous quarter which included winter tariffs.

All-in sustaining costs decreased by 2% quarter-on-quarter from R404 694/kg to R397 503/kg mainly due to a 5% increase in gold sold during the quarter. Production delivery against a lower operating cost base remains the key focus at all of our operations during the next quarter.

SOUTH AFRICAN OPERATIONS

Kusasaletu

Kusasaletu's results were adversely affected by the spillage and flooding of the return ventilation shaft and sub-shaft bottoms which hampered rock hoisting during the quarter.

During the March 2014 quarter, management will focus on increasing the availability of the engineering equipment in order to reduce production downtime.

Doornkop

Doornkop had a good quarter, with a 14% increase in production mainly due to a 13% increase in grade. Cash operating cost improved by 14% to R320 533/kg while the all-in sustaining costs improved by 8% to R 416 838/kg.

The Kimberley Reef mine was always earmarked for closure as the new South Reef mine increased production at a higher recovered grade. Mechanized mining methods are used on the Kimberley Reef horizon (mining high volumes at a much lower grade), which is extremely sensitive to gold price fluctuations and in the current gold price environment, the end of its economic life was brought closer.

Closing the Kimberley Reef will have a positive effect on both the costs and grade of Doornkop. Production at the higher-grade South Reef project is ramping up to scheduled full production in financial year 2016. Focus during the next quarter will be to achieve targets relating to tonnes and grade, as well as to conclude the Kimberley Reef's section 189 process.

Phakisa

Phakisa's 6% increase in recovered grade quarter-on-quarter (to 5.15g/t) partly countered the effect of a 12% decrease in tonnes milled, resulting in gold production of 706kg of gold during the quarter.

All-in sustaining costs remained stable at R503 058/kg. During the March 2014 quarter, on-going rehabilitation work to the Fredries. 3 ventilation shaft will continue. The scope of the rehabilitation work increased after another smaller cavity was identified during the re-sink and re-lining process.

Tshepong

Tshepong's gold production decreased due to a section 54 stoppage after a fatality occurred. The decrease of 12% in tonnes milled, offset by a 4% increase in recovered grade (at 4.39g/t) resulted in an 8% decrease in gold production to 962kg.

Cash operating costs increased by 4% quarter-on-quarter while the all-in sustaining costs increased by 10% to R458 501/kg, as a result of lower volumes and higher capital expenditure during the quarter. Tshepong's focus during the next quarter will be on creating stoping face length in the higher grade areas of the mine and maintaining reef meter development.

Masimong

Masimong had another challenging quarter with gold production being 10% less at 684kg, due to a 15% decrease in volumes quarter-on-quarter. General underperformance and a fatality during the December 2013 quarter had a negative impact on production.

However, recovered grade increased by 6% quarter-on-quarter to 4.25g/t.

The decrease in gold production resulted in a 4% increase in cash operating cost at R353 671/kg and together with higher capital expenditure quarter-on-quarter, a 4% increase in all-in sustaining costs from R428 681/kg to R447 878/kg.

The focus in the next quarter will be to address the underperformance to ensure a turnaround at the mine. Actions include: restructuring the shaft, equipping and mining high grade pillars that were previously left un-mined and reduce maintenance capital to an absolute minimum.

Target 1

Target 1 had another excellent quarter with a 14% increase in recovered grade and a 15% increase in gold production.

The mine's sustained operational improvements resulted in a lower all-in sustaining cost of R278 028/kg and a 17% reduction in cash operating cost to R200 373/kg.

Bambanani

Gold production increased by 12% quarter-on-quarter, due to a 6% increase in both volumes and recovered grade at 12.91g/t.

Bambanani has the lowest all-in sustaining cost in the company at R241 303/kg, as well as the best cash operating cost at R199 795/kg.

During the March 2014 quarter Bambanani will continue its good performance, through a further increase in volume.

Joel

Stoppages in December 2013 resulted in a 6% decrease in tonnes milled at Joel. Recovered grade increased by 3% to 4.52g/t, resulting in a 3% decrease in gold to 674kg.

Quarter-on-quarter cash operating cost increased slightly to R261 521/kg and all-in sustaining costs remained stable at R299 632/kg.

Unisel

Unisel had a good production quarter due to a 9% increase in recovered grade (from 4.41g/t to 4.79g/t), resulting in a 8% increase in gold production to 512kg.

Cash operating costs improved by 8% to R294 779/kg quarter-on-quarter and all-in sustaining costs decreased from R380 985/kg to R373 246/kg.

Target 3

Target 3 had a very challenging quarter. Tonnes decrease by 9% (from 82 000t to 75 000t), the recovered grade decreased by 2% to 4.67g/t, which resulted in an 11% decrease in gold production to 350kg.

Due to the underperformance in gold output the cash operating cost also increased by 3% to R383 566/kg.

All-in sustaining cost increased by 12% to R526 404/kg.

A review of Target 3's performance was done in January to assess the underperformance. The focus will be on opening up the Basal Reef.

Steyn 2

Tonnes milled remained steady quarter-on-quarter at 12 000t while the recovered grade increased by 1% from 12.17g/t to 12.25g/t, resulting in gold production remaining steady.

Cash operating costs improved by 5% quarter-on-quarter to R221 871/kg and all-in sustaining costs increased from R253 014/kg to R263 910/kg, due to higher capital spent quarter-on-quarter.

Phoenix (tailings)

Recovered grade remained stable at 0.15g/t while 4% less tonnes were milled at Phoenix during the quarter, which resulted in a 4% decrease in gold production to 217kg.

The decrease in gold output resulted in a 2% increase in cash operating costs to R279 221/kg and a slight increase in all-in sustaining costs from R276 299/kg to R280 299/kg in the quarter.

During the March 2014 quarter, focus will remain on optimising efficiency, recovery and cost control.

Surface dumps

Quarter-on-quarter gold production decreased by 24% due to a 14% decrease in tonnes milled. Grade was 12% lower at 0.30g/t.

The decrease in gold output resulted in a 4% increase in cash operating costs to R357 916/kg and a 10% increase quarter-on-quarter in all-in sustaining costs at R386 310/kg.

Kalgold

Kalgold's gold production decreased by 3% quarter-on-quarter to 315kg, as tonnes were in line with the previous quarter while recovered grade was 2% lower at 0.87g/t for the December 2013 quarter.

Cash operating cost decreased by 2% to R318 184/kg while all-in sustaining costs increased by 10% to R393 782/kg due to an increase in the total capital expenditure on the new oxygen plant, costs incurred on the new residue tank and other plant refurbishment projects.

During the quarter, a decision was taken to postpone the scheduled replacements of A and B mills to the next financial year in line with the capital reduction initiative throughout the Company.

INTERNATIONAL OPERATIONS

Hidden Valley (held in Morobe Mining Joint Ventures – 50% of attributable production reflected)

Hidden Valley's tonnes milled and recovered grade at 1.53g/t was in line with the previous quarter and resulted in gold production of 772kg during the December 2013 quarter. Silver production at 272 710oz was 8%, higher than the previous quarter

Cash operating costs improved by 17% to R316 206/kg, while all-in sustaining costs decreased by 23% to R394 820/kg during the quarter,

due to lower production stripping, increased silver by-product credits, lower sustaining capital expenditure and continued cost reduction efforts.

The operating performance of the overland conveyor improved during the quarter and minor configuration changes to the crusher were completed.

Exploration highlights

INTERNATIONAL (PAPUA NEW GUINEA)

Morobe Mining Joint Venture (MMJV) (50% Harmony)

Wafi-Golpu

In addition to what is said in the message from the chief executive officer on page 5:

Harmony and its joint venture partner, Newcrest Mining Limited, plan to undertake a feasibility study to evaluate an underground exploration program for the Wafi-Golpu Project. The underground exploration program is proposed to include an exploration shaft to facilitate deep drilling and bulk sampling of the orebody to generate essential orebody knowledge required to support a future development decision.

Geotechnical drilling to identify a suitable exploration shaft location is in progress.

A final investment decision for the proposed underground exploration program is expected during the second half of calendar 2014, subject to receipt of necessary government and regulatory approvals. Work is continuing on a substantially lower capital expenditure development option for Wafi-Golpu and drilling activity has been scaled down from four rigs to only one drill assigned to resource definition continuing into the third quarter.

Drilling during the quarter delivered the following results (also refer to the projection view schematic below):

North-south resource definition hole confirms continuity of porphyry and high grade mineralisation

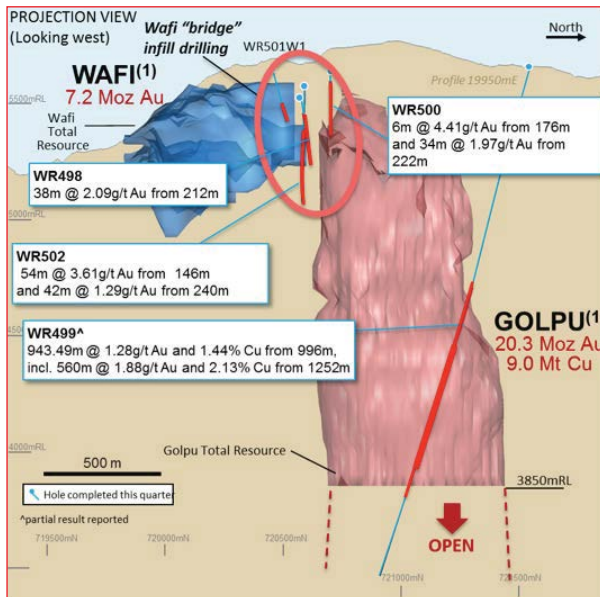
- 943.49m @ 1.28g/t Au and 1.44% Cu from 996m (WR499)2
- Including 560m @1.88g/t Au and 2.13% Cu from 1252m

New zone of higher grade gold mineralisation identified between Golpu and Wafi

- 54m @ 3.61g/t Au from 146m (WR502)

Results for the second quarter FY14 and six months ended 31 December 2013

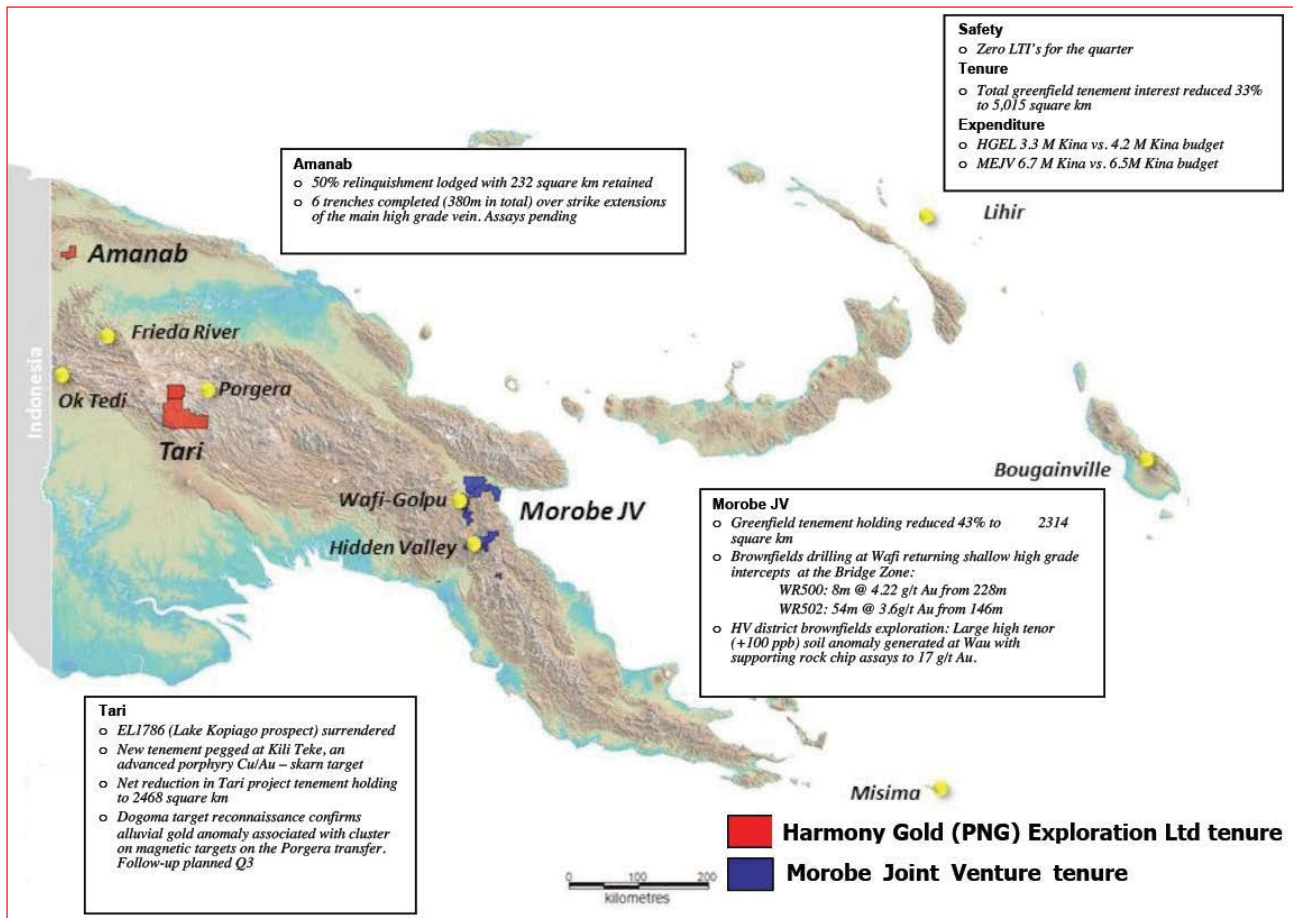
Figure 1: Projection view of Wafi-Golpu



¹ Resource estimates quoted on 100% basis – refer Harmony's Mineral Resources & Reserves statement as at 30 June 2013

² Partial result reported

Figure 2: Harmony PNG Exploration project locations and Q2 work summary





**Results for the
second quarter FY14 and
six months ended
31 December 2013
(Rand)**

Results for the second quarter FY14 and six months ended 31 December 2013

CONDENSED CONSOLIDATED INCOME STATEMENTS (Rand)

| | | 31 December 2013 (Unaudited) | Quarter ended 30 September 2013 (Unaudited) | 31 December 2012 (Unaudited) (Restated)* | 31 December 2013 | Six months ended 31 December 2012 (Restated)* | Year ended 30 June 2013 (Audited) (Restated)* |
|---|------|------------------------------------|--|---|---------------------|--|---|
| Figures in million | Note | | | | | | |
| Continuing operations | | | | | | | |
| Revenue | | 4 071 | 4 018 | 4 613 | 8 089 | 8 891 | 15 902 |
| Cost of sales | 3 | (3 817) | (3 735) | (3 508) | (7 552) | (7 018) | (16 448) |
| Production costs | | (3 086) | (2 981) | (2 956) | (6 067) | (5 834) | (11 321) |
| Amortisation and depreciation | | (565) | (577) | (509) | (1 142) | (1 002) | (2 001) |
| Impairment of assets | | – | – | – | – | – | (2 733) |
| Other items | | (166) | (177) | (43) | (343) | (182) | (393) |
| Gross profit/(loss) | | 254 | 283 | 1 105 | 537 | 1 873 | (546) |
| Corporate, administration and other expenditure | | (102) | (108) | (111) | (210) | (217) | (465) |
| Social investment expenditure | | (21) | (38) | (25) | (59) | (45) | (127) |
| Exploration expenditure | | (112) | (142) | (160) | (254) | (296) | (673) |
| Profit on sale of property, plant and equipment | | – | – | 69 | – | 124 | 139 |
| Other (expenses)/income – net | 6 | (140) | 1 | (47) | (139) | (44) | (350) |
| Operating (loss)/profit | | (121) | (4) | 831 | (125) | 1 395 | (2 022) |
| Profit from associates | | 4 | 3 | – | 7 | – | – |
| Impairment of investments | | – | (7) | – | (7) | (48) | (88) |
| Net gain on financial instruments | | 39 | 74 | 92 | 113 | 166 | 173 |
| Investment income | | 50 | 45 | 38 | 95 | 71 | 185 |
| Finance cost | | (57) | (60) | (75) | (117) | (133) | (256) |
| (Loss)/profit before taxation | | (85) | 51 | 886 | (34) | 1 451 | (2 008) |
| Taxation | | (6) | (38) | (221) | (44) | (373) | (655) |
| Normal taxation | | – | (49) | (115) | (49) | (226) | (271) |
| Deferred taxation | | (6) | 11 | (106) | 5 | (147) | (384) |
| Net (loss)/profit from continuing operations | | (91) | 13 | 665 | (78) | 1 078 | (2 663) |
| Discontinued operations | | | | | | | |
| Profit from discontinued operations | | – | – | 82 | – | 171 | 314 |
| Net (loss)/profit for the period | | (91) | 13 | 747 | (78) | 1 249 | (2 349) |
| <i>Attributable to:</i> | | | | | | | |
| Owners of the parent | | (91) | 13 | 747 | (78) | 1 249 | (2 349) |
| (Loss)/earnings per ordinary share (cents) | 4 | | | | | | |
| (Loss)/earnings from continuing operations | | (21) | 3 | 154 | (18) | 249 | (616) |
| Earnings from discontinued operations | | – | – | 19 | – | 40 | 73 |
| Total (loss)/earnings | | (21) | 3 | 173 | (18) | 289 | (543) |
| Diluted (loss)/earnings per ordinary share (cents) | 4 | | | | | | |
| (Loss)/earnings from continuing operations | | (21) | 3 | 154 | (18) | 249 | (616) |
| Earnings from discontinued operations | | – | – | 19 | – | 40 | 73 |
| Total diluted (loss)/earnings | | (21) | 3 | 173 | (18) | 289 | (543) |

* The audited June 2013 annual results, interim December 2012 and unaudited December 2012 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Rand)

| Figures in million | Quarter ended | | | Six months ended | | Year ended |
|---|---------------------------------|----------------------------------|--|------------------|---------------------------------|--|
| | 31 December 2013 (Unaudited) | 30 September 2013 (Unaudited) | 31 December 2012 (Unaudited) (Restated)* | 31 December 2013 | 31 December 2012 (Restated)* | 30 June 2013 (Audited) (Restated)* |
| Net (loss)/profit for the period | (91) | 13 | 747 | (78) | 1 249 | (2 349) |
| Other comprehensive income/(loss) for the period, net of income tax | 378 | (695) | 195 | (317) | 220 | 737 |
| Foreign exchange translation | 370 | (694) | 172 | (324) | 197 | 742 |
| Movements on investments | 8 | (1) | 23 | 7 | 23 | (5) |
| Total comprehensive income/(loss) for the period | 287 | (682) | 942 | (395) | 1 469 | (1 612) |
| Attributable to: | | | | | | |
| Owners of the parent | 287 | (682) | 942 | (395) | 1 469 | (1 612) |

* The audited June 2013 annual results, interim December 2012 and unaudited December 2012 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

The accompanying notes are an integral part of these condensed consolidated financial statements.

All items in Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Rand)

for the six months ended 31 December 2013

| Figures in million | Note | Share capital | Other reserves | Retained earnings | Total |
|---|------|---------------|----------------|-------------------|---------------|
| Balance – 30 June 2013 as previously reported | | 28 325 | 3 464 | 522 | 32 311 |
| Restatement for IFRIC 20 | 2 | – | (22) | (74) | (96) |
| Restated balance – 30 June 2013 | | 28 325 | 3 442 | 448 | 32 215 |
| Share-based payments | | – | 145 | – | 145 |
| Net loss for the period | | – | – | (78) | (78) |
| Other comprehensive loss for the period | | – | (317) | – | (317) |
| Balance – 31 December 2013 | | 28 325 | 3 270 | 370 | 31 965 |
| Balance – 30 June 2012 as previously reported | | 28 331 | 2 444 | 3 307 | 34 082 |
| Restatement for IFRIC 20 | 2 | – | (15) | (94) | (109) |
| Restated balance – 30 June 2012 | | 28 331 | 2 429 | 3 213 | 33 973 |
| Share-based payments | | – | 130 | – | 130 |
| Net profit for the period | | – | – | 1 249 | 1 249 |
| Other comprehensive income for the period | | – | 220 | – | 220 |
| Dividends paid ¹ | | – | – | (218) | (218) |
| Balance – 31 December 2012 | | 28 331 | 2 779 | 4 244 | 35 354 |

¹ Dividend of 50 SA cents declared on 13 August 2012.

The accompanying notes are an integral part of these condensed consolidated financial statements.

The condensed consolidated financial statements for the six months ended 31 December 2013 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Mr Herman Perry. This process was supervised by the financial director, Mr Frank Abbott and approved by the board of Harmony Gold Mining Company Limited. The condensed consolidated financial statements for the six months ended 31 December 2013 were reviewed by the group's external auditors, PricewaterhouseCoopers Incorporated (see note 13).

Results for the second quarter FY14 and six months ended 31 December 2013

CONDENSED CONSOLIDATED BALANCE SHEETS (Rand)

| | | At 31 December 2013 | At 30 September 2013 (Unaudited) | At 30 June 2013 (Audited) (Restated)* | At 31 December 2012 (Restated)* |
|---|------|---------------------------|---|---|--|
| Figures in million | Note | | | | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | | 32 663 | 32 195 | 32 732 | 33 931 |
| Intangible assets | | 2 193 | 2 191 | 2 191 | 2 192 |
| Restricted cash | | 38 | 38 | 37 | 37 |
| Restricted investments | | 2 180 | 2 143 | 2 054 | 2 020 |
| Deferred tax assets | | 91 | 93 | 104 | 554 |
| Investments in associates | | 115 | 112 | 109 | – |
| Investments in financial assets | | 4 | 42 | 49 | 159 |
| Inventories | | 57 | 57 | 57 | 57 |
| Trade and other receivables | | – | – | – | 13 |
| Total non-current assets | | 37 341 | 36 871 | 37 333 | 38 963 |
| Current assets | | | | | |
| Inventories | | 1 423 | 1 482 | 1 417 | 1 066 |
| Trade and other receivables | | 1 149 | 1 238 | 1 162 | 1 292 |
| Income and mining taxes | | 106 | 103 | 132 | – |
| Restricted cash | | 15 | – | – | – |
| Cash and cash equivalents | | 2 323 | 2 288 | 2 089 | 2 511 |
| | | 5 016 | 5 111 | 4 800 | 4 869 |
| Non-current assets and assets of disposal groups classified as held for sale | 5 | 46 | – | – | 1 822 |
| Total current assets | | 5 062 | 5 111 | 4 800 | 6 691 |
| Total assets | | 42 403 | 41 982 | 42 133 | 45 654 |
| EQUITY AND LIABILITIES | | | | | |
| Share capital and reserves | | | | | |
| Share capital | | 28 325 | 28 325 | 28 325 | 28 331 |
| Other reserves | | 3 270 | 2 790 | 3 442 | 2 779 |
| Retained earnings | | 370 | 461 | 448 | 4 244 |
| Total equity | | 31 965 | 31 576 | 32 215 | 35 354 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 3 000 | 2 998 | 3 021 | 3 270 |
| Provision for environmental rehabilitation | | 2 016 | 1 990 | 1 997 | 1 912 |
| Retirement benefit obligation | | 201 | 198 | 194 | 184 |
| Other provisions | | 71 | 63 | 55 | 40 |
| Borrowings | 6 | 3 280 | 2 868 | 2 252 | 2 072 |
| Total non-current liabilities | | 8 568 | 8 117 | 7 519 | 7 478 |
| Current liabilities | | | | | |
| Borrowings | 6 | – | 291 | 286 | 301 |
| Income and mining taxes | | – | 24 | 4 | 16 |
| Trade and other payables | | 1 870 | 1 974 | 2 109 | 2 050 |
| | | 1 870 | 2 289 | 2 399 | 2 367 |
| Liabilities of disposal groups classified as held for sale | | – | – | – | 455 |
| Total current liabilities | | 1 870 | 2 289 | 2 399 | 2 822 |
| Total equity and liabilities | | 42 403 | 41 982 | 42 133 | 45 654 |

* The audited June 2013 annual results and interim December 2012 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Rand)

| | 31 December 2013 (Unaudited) | Quarter ended 30 September 2013 (Unaudited) | 31 December 2012 (Unaudited) | 31 December 2013 | Six months ended 31 December 2012 | Year ended 30 June 2013 (Audited) |
|---|------------------------------------|--|------------------------------------|---------------------|---|--|
| Cash flow from operating activities | | | | | | |
| Cash generated by operations | 700 | 238 | 1 392 | 938 | 2 729 | 3154 |
| Interest and dividends received | 32 | 26 | 30 | 58 | 56 | 138 |
| Interest paid | (21) | (29) | (29) | (50) | (58) | (125) |
| Income and mining taxes paid | (28) | – | (221) | (28) | (113) | (312) |
| Cash generated by operating activities | 683 | 235 | 1 172 | 918 | 2 614 | 2 855 |
| Cash flow from investing activities | | | | | | |
| Cash transferred to disposal group | – | – | (90) | – | (252) | – |
| Proceeds on disposal of investment in subsidiary | – | – | – | – | – | 1 264 |
| Proceeds on disposal of Merriespruit South | – | – | 61 | – | 61 | – |
| Purchase of investments | – | – | – | – | – | (86) |
| Other investing activities | (1) | (9) | (45) | (10) | (45) | (4) |
| Net additions to property, plant and equipment ¹ | (624) | (618) | (1 047) | (1 242) | (1 940) | (3 652) |
| Cash utilised by investing activities | (625) | (627) | (1 121) | (1 252) | (2 176) | (2 478) |
| Cash flow from financing activities | | | | | | |
| Borrowings raised | – | 612 | 348 | 612 | 678 | 678 |
| Borrowings repaid | (3) | (3) | (164) | (6) | (173) | (333) |
| Ordinary shares issued – net of expenses | – | – | – | – | – | 1 |
| Option premium on BEE transaction | – | – | – | – | – | 2 |
| Dividends paid | – | – | – | – | (218) | (435) |
| Cash generated/(utilised) by financing activities | (3) | 609 | 184 | 606 | 287 | (87) |
| Foreign currency translation adjustments | (20) | (18) | 10 | (38) | 13 | 26 |
| Net increase in cash and cash equivalents | 35 | 199 | 245 | 234 | 738 | 316 |
| Cash and cash equivalents – beginning of period | 2 288 | 2 089 | 2 266 | 2 089 | 1 773 | 1 773 |
| Cash and cash equivalents – end of period | 2 323 | 2 288 | 2 511 | 2 323 | 2 511 | 2 089 |

¹ Includes capital expenditure for Wafi-Golpu and other International projects of R0 million in the December 2013 quarter (September 2013: R0 million)(June 2013: R133 million) (December 2012: R7 million) and R537 million in the 12 months ended 30 June 2013.

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 December 2013 (Rand)

1. Accounting policies

Basis of accounting

The condensed consolidated financial statements for the six months ended 31 December 2013 have been prepared in accordance with IAS 34, Interim Financial Reporting, JSE Listings Requirements, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements, except for the adoption of applicable revised and/or new standards issued by the International Accounting Standards Board.

The following accounting standards, amendments to standards and new interpretations have been adopted with effect from 1 July 2013.

| | |
|----------|---|
| IFRS 7 | Amendment – Disclosures – Offsetting Financial Assets and Financial Liabilities |
| IFRS 10 | Consolidated Financial Statements |
| IFRS 11 | Joint Arrangements |
| IFRS 12 | Disclosure of Interests in Other Entities |
| IFRS 13 | Fair Value Measurement |
| IFRSs | Annual Improvements 2009 – 2011 |
| IAS 19 | Employee Benefits (Revised 2011) |
| IAS 27 | Separate Financial Statements (Revised 2011) |
| IAS 28 | Investments in Associates and Joint Ventures (Revised 2011) |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine |

New standards and amendments which have an impact on the condensed consolidated financial statements of the group are described below:

IAS 19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI). Actuarial gains and losses recognised in OCI will not be recycled to profit or loss. The impact for the group was immaterial.

IFRS 11 requires joint operations to be accounted at the group's interest in the assets, liabilities, revenue and expenses of the joint operation. Harmony previously accounted for joint operations using the proportional consolidation method. The change in accounting policy has not had an impact on any previously reported numbers.

IFRIC 20 clarifies the requirements for accounting for costs of stripping activity in the production phase of surface mining. Stripping assets that cannot be attributed to an identifiable component of the orebody will be written off to retained earnings on adoptions of IFRIC 20. Refer to note 2 for further details.

2. Change in accounting policies

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") which became effective on 1 January 2013, clarifies the requirements for accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue: (i) usable ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods. Harmony has applied IFRIC 20 on a prospective basis from 1 July 2011 in compliance with the transitional requirements of IFRIC 20.

Harmony previously accounted for stripping costs incurred during the production phase to remove waste material by deferring these costs, which were then charged to production costs on the basis of the average life-of-mine stripping ratio.

A stripping activity asset shall be recognised if all of the following are met:

- (i) it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;
- (ii) the entity can identify the component of the orebody for which access has been improved; and
- (iii) the cost relating to the stripping activity associated with that component can be measure reliably.

The stripping asset shall be depreciated over the expected useful life of the identified component of the orebody based on the units of production method.

Where there were no identifiable components of the orebody to which the predecessor asset relates, the asset was written off to retained earnings at the beginning of the earliest period presented. An amount of R54 million was written off to retained earnings.

The comparative periods presented have been restated. The restatement had no effect on the condensed consolidated cash flow statements.

The results for the six months ended 31 December 2013, year ended 30 June 2013 and the financial position at those dates have been reviewed and audited respectively, but the restatement of the results and balances affected by IFRIC 20 have not been audited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 December 2013 (Rand)

Reconciliation of the effect of the change in accounting standard:

Condensed consolidated income statements

| | Quarter ended 31 December 2012 (Unaudited) | Six months ended 31 December 2012 | Year ended 30 June 2013 (Audited) |
|---|---|---|--|
| Cost of sales | | | |
| Production costs | | | |
| As previously reported | (2 980) | (5 850) | (11 400) |
| IFRIC 20 adjustment | 24 | 16 | 79 |
| Restated | (2 956) | (5 834) | (11 321) |
| Amortisation and depreciation | | | |
| As previously reported | (501) | (982) | (1 942) |
| IFRIC 20 adjustment | (8) | (20) | (59) |
| Restated | (509) | (1 002) | (2 001) |
| Increase/decrease in net profit/loss for the period* | 16 | (4) | 20 |

* There is no material taxation effect on these items.

Condensed consolidated statements of comprehensive income

| | Quarter ended 31 December 2012 (Unaudited) | Six months ended 31 December 2012 | Year ended 30 June 2013 (Audited) |
|--|---|---|--|
| Increase/decrease in net profit/loss for the period* | 16 | (4) | 20 |
| Other comprehensive income for the period net of income tax | | | |
| Foreign exchange translation | | | |
| As previously reported | 174 | 200 | 749 |
| IFRIC 20 adjustment | (2) | (3) | (7) |
| Restated | 172 | 197 | 742 |
| Increase/decrease in total comprehensive income/loss for the period | 14 | (7) | 13 |

* There is no material taxation effect on these items.

Condensed consolidated balance sheets

| | At 30 June 2013 (Audited) | At 31 December 2012 |
|--------------------------------------|------------------------------------|---------------------------|
| Figures in million | | |
| Non-current assets | | |
| Property, plant and equipment | | |
| As previously reported | 32 820 | 34 028 |
| IFRIC 20 adjustment | (88) | (97) |
| Restated | 32 732 | 33 931 |
| Current assets | | |
| Inventories | | |
| As previously reported | 1 425 | 1 085 |
| IFRIC 20 adjustment | (8) | (19) |
| Restated | 1 417 | 1 066 |
| Share capital and reserves | | |
| Other reserves | | |
| As previously reported | 3 464 | 2 797 |
| IFRIC 20 adjustment ¹ | (22) | (18) |
| Restated | 3 442 | 2 779 |
| Retained earnings | | |
| As previously reported | 522 | 4 342 |
| IFRIC 20 adjustment | (74) | (98) |
| Restated | 448 | 4 244 |
| Decrease in total equity | (96) | (116) |

¹ Translation effect of the IFRIC 20 adjustments on foreign operations (Hidden Valley).

Results for the second quarter FY14 and six months ended 31 December 2013

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 December 2013 (Rand)

Earnings/(loss) and headline earnings per share

| | Quarter ended 31 December 2012 (Unaudited) | Six months ended 31 December 2012 | Year ended 30 June 2013 (Audited) |
|--|---|---|--|
| Total basic and diluted earnings/(loss) per share (cents) | | | |
| As previously reported | 169 | 290 | (548) |
| IFRIC 20 adjustment | 4 | (1) | 5 |
| Restated | 173 | 289 | (543) |
| Total headline earnings | | | |
| Figures in million | | | |
| As previously reported | 680 | 1 209 | 204 |
| IFRIC 20 adjustment | 16 | (4) | 20 |
| Restated | 696 | 1 205 | 224 |
| Headline earnings per share (cents) | | | |
| As previously reported | 158 | 281 | 47 |
| IFRIC 20 adjustment | 4 | (1) | 5 |
| Restated | 162 | 280 | 52 |
| Diluted headline earnings (cents) | | | |
| As previously reported | 157 | 280 | 47 |
| IFRIC 20 adjustment | 4 | (1) | 5 |
| Restated | 161 | 279 | 52 |

3. Cost of sales

| | 31 December 2013 (Unaudited) | Quarter ended 30 September 2013 (Unaudited) | 31 December 2012 (Unaudited) (Restated)* | 31 December 2013 | Six months ended 31 December 2012 (Restated)* | Year ended 30 June 2013 (Audited) (Restated)* |
|---|------------------------------------|--|---|---------------------|--|---|
| Figures in million | | | | | | |
| Production costs – excluding royalty | 3 047 | 2 943 | 2 888 | 5 990 | 5 710 | 11 104 |
| Royalty expense | 39 | 38 | 68 | 77 | 124 | 217 |
| Amortisation and depreciation | 565 | 577 | 509 | 1 142 | 1 002 | 2 001 |
| Impairment of assets | – | – | – | – | – | 2 733 |
| Rehabilitation (credit)/expenditure ¹ | (15) | 15 | (1) | – | 6 | (24) |
| Care and maintenance cost of restructured shafts | 18 | 17 | 16 | 35 | 36 | 68 |
| Employment termination and restructuring costs ² | 50 | 94 | – | 144 | 7 | 46 |
| Share-based payments ³ | 113 | 51 | 21 | 164 | 126 | 266 |
| Other | – | – | 7 | – | 7 | 37 |
| Total cost of sales | 3 817 | 3 735 | 3 508 | 7 552 | 7 018 | 16 448 |

* The audited June 2013 annual results, interim December 2012 and unaudited December 2012 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

1. A credit of R24 million arose in the December 2013 quarter as a result of work performed in the Free State, resulting in a reduction in the rehabilitation liability.
2. Included in the September and December 2013 quarters are amounts relating to the restructuring at Hidden Valley and the voluntary retrenchment packages offered in South Africa.
3. This includes the cost relating to the Employee Share Ownership Plan (ESOP) awards that were granted in August 2012. The December 2013 quarter includes costs related to the acceleration of vesting for employees who took voluntary retrenchment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 December 2013 (Rand)

4. Earnings/(loss) and net asset value per share

| | 31 December 2013 (Unaudited) | Quarter ended 30 September 2013 (Unaudited) | 31 December 2012 (Unaudited) (Restated)* | 31 December 2013 | Six months ended 31 December 2012 (Restated)* | Year ended 30 June 2013 (Audited) (Restated)* |
|--|------------------------------------|--|---|---------------------|--|---|
| Weighted average number of shares (million) | 432.9 | 432.6 | 431.6 | 432.8 | 431.6 | 431.9 |
| Weighted average number of diluted shares (million) | 433.4 | 433.0 | 432.6 | 433.8 | 432.6 | 432.7 |
| Total (loss)/earnings per share (cents): | | | | | | |
| Basic (loss)/earnings | (21) | 3 | 173 | (18) | 289 | (543) |
| Diluted (loss)/earnings | (21) | 3 | 173 | (18) | 289 | (543) |
| Headline (loss)/earnings | (21) | 5 | 162 | (16) | 280 | 52 |
| – from continuing operations | (21) | 5 | 143 | (16) | 240 | 3 |
| – from discontinued operations | – | – | 19 | – | 40 | 49 |
| Diluted headline (loss)/earnings | (21) | 5 | 161 | (16) | 279 | 52 |
| – from continuing operations | (21) | 5 | 142 | (16) | 239 | 3 |
| – from discontinued operations | – | – | 19 | – | 40 | 49 |
| Figures in million | | | | | | |
| Reconciliation of headline (loss)/earnings: | | | | | | |
| Continuing operations | | | | | | |
| Net (loss)/profit | (91) | 13 | 665 | (78) | 1 078 | (2 663) |
| Adjusted for: | | | | | | |
| Impairment of investments ¹ | – | 7 | – | 7 | – | 88 |
| Impairment of assets | – | – | – | – | 48 | 2 733 |
| Taxation effect on impairment of assets | – | – | – | – | – | (38) |
| Profit on sale of property, plant and equipment | – | – | (69) | – | (124) | (139) |
| Taxation effect of profit on sale of property, plant and equipment | – | – | 18 | – | 32 | 31 |
| Headline (loss)/earnings | (91) | 20 | 614 | (71) | 1 034 | 12 |
| Discontinued operations | | | | | | |
| Net profit | – | – | 82 | – | 171 | 314 |
| Adjusted for: | | | | | | |
| Profit on sale of investment in subsidiary ¹ | – | – | – | – | – | (102) |
| Headline earnings | – | – | 82 | – | 171 | 212 |
| Total headline (loss)/earnings | (91) | 20 | 696 | (71) | 1 205 | 224 |

¹ There is no taxation effect on these items.

Net asset value per share

| | At 31 December 2013 | At 30 September 2013 (Unaudited) | At 30 June 2013 (Audited) (Restated)* | At 31 December 2012 (Restated)* |
|-----------------------------------|---------------------------|---|---|--|
| Number of shares in issue | 435 693 819 | 435 289 890 | 435 289 890 | 435 257 691 |
| Net asset value per share (cents) | 7 337 | 7 254 | 7 405 | 8 123 |

* The audited June 2013 annual results, interim December 2012 and unaudited December 2012 quarter results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 December 2013 (Rand)

5. Non-current assets and assets of disposal groups classified as held for sale

During the December 2013 quarter, a cash offer for Witwatersrand Consolidated Gold Resources Limited's (Wits Gold) entire share capital was made to all Wits Gold shareholders by Sibanye Gold Limited. Harmony has accepted the offer. Following this, R46 million which represents Harmony's fair value stake in Wits Gold has been classified as a non-current asset held for sale (formerly classified as Investment in financial assets) under IFRS 5. A regulatory process is being followed and the sale is expected to be completed within the next 12 months.

6. Borrowings

Two draw downs of US\$30 million each were made from the US\$300 million syndicated revolving credit facility during the September 2013 quarter. During the December 2013 quarter there were no draw downs and the drawn level remains at US\$270 million. The weakening of the Rand against the US\$ resulted in a foreign exchange translation loss of R111 million being recorded, increasing the borrowings balance and Other expenses-net. The facility is repayable by September 2015.

Harmony refinanced its Nedbank revolving credit facility and entered into a new agreement for R1.3 billion revolving credit facility during the December 2013 quarter. The interest rate is equivalent to JIBAR + 350 basis points and is repayable by December 2016.

At the same time management also agreed an amended set of financial covenants with the lender group, to give the group more long-term financial flexibility. Two of the covenants were re-negotiated as follows:

- The interest cover measure has been changed from EBIT to EBITDA¹ and the ratio of cover has changed from two times to five times.
- The ratio of Market Capitalisation to Net Debt has been replaced by the ratio of Tangible Net Worth² to Net Debt. The ratio remained the same at six times.

¹ EBITDA as defined in the agreement excludes unusual items such as impairment and restructuring cost.

² Tangible Net Worth is defined as total equity less intangible assets.

The covenants applicable to all Harmony debt facilities are accordingly as follows:

- The group's interest cover ratio shall not be less than five (EBITDA/Total interest).
- Current ratio shall not be less than one (current assets/current liabilities).
- Cash flow from operating activities shall be above R100 million for the six months prior to the evaluation date.
- Total net debt shall not exceed R3 billion plus the rand equivalent of US\$300 million.
- Tangible Net Worth to facilities outstanding ratio shall not be less than six times.

7. Financial risk management activities

Fair value determination

The following table presents the group's assets and liabilities that are measured at fair value by level within the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices) or indirectly (that is derived from prices);

Level 3: Inputs for the asset that are not based on observable market data (that is unobservable inputs).

| | At 31 December 2013 | At 30 September 2013 (Unaudited) | At 30 June 2013 (Audited) | At 31 December 2012 |
|---|---------------------------|---|------------------------------------|---------------------------|
| Figures in million | | | | |
| Available-for-sale financial assets^{1*} | | | | |
| Level 1 | 46 | 37 | 44 | 96 |
| Level 2 | — | — | — | — |
| Level 3 | 4 | 5 | 5 | 63 |
| Fair value through profit and loss^{2*} | | | | |
| Level 1 | — | — | — | — |
| Level 2 | 934 | 1 116 | 1 041 | 1 135 |
| Level 3 | — | — | — | — |

¹ Level 1 fair values are directly derived from actively traded shares on the JSE.

Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis to ensure that significant prolonged decline in the value of the investments has not occurred. The December 2012 balance includes the interest in Rand Refinery. At the end of the 2013 financial year, the investment in Rand Refinery was reclassified as an investment in associate on obtaining significant influence.

² The majority of the level 2 fair values are directly derived from the Shareholders Weighted Top 40 index (SWIX 40) on the JSE and are discounted at market interest rate.

* Includes non-current assets or disposal groups held for sale where applicable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the period ended 31 December 2013 (Rand)

8. Commitments and contingencies

| | At 31 December 2013 | At 30 September 2013 (Unaudited) | At 30 June 2013 (Audited) | At 31 December 2012 |
|--|---------------------------|---|------------------------------------|---------------------------|
| Figures in million | | | | |
| Capital expenditure commitments: | | | | |
| Contracts for capital expenditure | 322 | 351 | 416 | 576 |
| Authorised by the directors but not contracted for | 1 152 | 1 835 | 1 545 | 1 572 |
| | 1 474 | 2 186 | 1 961 | 2 148 |

This expenditure will be financed from existing resources and, where appropriate, borrowings.

Contingent liability

For a detailed disclosure on contingent liabilities refer to Harmony's integrated annual report for the financial year ended 30 June 2013, available on the group's website (www.harmony.co.za). There were no significant changes in contingencies since 30 June 2013.

9. Related parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. During the September 2013 quarter, Frank Abbott purchased 65 600 shares.

10. Subsequent events

There were no subsequent events to report.

11. Segment report

The segment report follows on page 23.

12. Reconciliation of segment information to consolidated income statements and balance sheets

| | Six months ended 31 December 2013 | 31 December 2012 (Restated)* |
|---|---|------------------------------------|
| Figures in million | | |
| The "Reconciliation of segment information to consolidated financial statements" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the financial statements and segment report: | | |
| Reconciliation of production profit to gross profit | | |
| Total segment revenue | 8 089 | 9 542 |
| Total segment production costs | (6 067) | (6 215) |
| Production profit per segment report | 2 022 | 3 327 |
| Discontinued operations | – | (270) |
| Production profit from continuing operations | 2 022 | 3 057 |
| Cost of sales items, other than production costs and royalty expense | (1 485) | (1 184) |
| Gross profit as per income statements¹ | 537 | 1 873 |

¹ The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.

Results for the second quarter FY14 and six months ended 31 December 2013

| | 31 December 2013 | 31 December 2012 (Restated)* |
|--|---------------------|------------------------------------|
| Figures in million | | |
| Reconciliation of total segment mining assets to consolidated property, plant and equipment | | |
| Property, plant and equipment not allocated to a segment | | |
| Mining assets | 1 133 | 942 |
| Undeveloped property | 5 139 | 5 139 |
| Other non-mining assets | 89 | 62 |
| Wafi-Golpu assets | 1 069 | 804 |
| Less: Non-current assets previously classified as held for sale | – | (1 233) |
| | 7 430 | 5 714 |

* The interim December 2012 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

13. Review report

These condensed consolidated financial statements for the six months ended 31 December 2013 on pages 12 to 23 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified conclusion thereon. A copy of the auditor's report on the condensed consolidated financial statements is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report.

Segment report (Rand/Metric)
for the six months ended 31 December 2013

| | Revenue 31 December 2013 2012 R million | | Production cost* 31 December 2013 2012 R million | | Production profit* 31 December 2013 2012 R million | | Mining assets* 31 December 2013 2012 R million | | Capital expenditure® 31 December 2013 2012 R million | | Kilograms produced# 31 December 2013 2012 kg | | Tonnes milled# 31 December 2013 2012 t'000 | |
|---|--|--------------|---|--------------|---|--------------|---|---------------|---|--------------|---|---------------|---|--------------|
| Continuing operations | | | | | | | | | | | | | | |
| South Africa | | | | | | | | | | | | | | |
| Underground | | | | | | | | | | | | | | |
| Kusasaletu | 965 | 976 | 867 | 840 | 98 | 136 | 3 502 | 3 329 | 250 | 217 | 2 412 | 2 003 | 631 | 466 |
| Doornkop | 707 | 886 | 581 | 542 | 126 | 344 | 3 380 | 3 330 | 124 | 151 | 1 637 | 1 875 | 474 | 517 |
| Phakisa | 625 | 638 | 546 | 491 | 79 | 147 | 4 530 | 4 593 | 189 | 158 | 1 461 | 1 367 | 293 | 270 |
| Tshepong | 861 | 1 077 | 707 | 751 | 154 | 326 | 3 986 | 3 484 | 146 | 149 | 2 011 | 2 310 | 468 | 567 |
| Masimong | 617 | 925 | 516 | 519 | 101 | 406 | 1 021 | 998 | 78 | 80 | 1 442 | 1 978 | 350 | 477 |
| Target 1 | 999 | 979 | 525 | 465 | 474 | 514 | 2 690 | 2 703 | 126 | 188 | 2 322 | 2 157 | 384 | 356 |
| Bambanani ^(a) | 691 | 426 | 356 | 306 | 335 | 120 | 881 | 1 004 | 62 | 70 | 1 613 | 911 | 129 | 98 |
| Joel | 580 | 821 | 349 | 343 | 231 | 478 | 354 | 260 | 80 | 79 | 1 371 | 1 750 | 308 | 321 |
| Unisel | 423 | 453 | 311 | 299 | 112 | 154 | 347 | 665 | 42 | 35 | 988 | 962 | 215 | 233 |
| Target 3 | 316 | 364 | 289 | 262 | 27 | 102 | 508 | 398 | 72 | 68 | 742 | 798 | 157 | 169 |
| Surface | | | | | | | | | | | | | | |
| All other surface operations | 652 | 730 | 485 | 493 | 167 | 237 | 472 | 365 | 25 | 200 | 1 604 | 1 645 | 5 382 | 4 800 |
| Total South Africa | 7 436 | 8 275 | 5 532 | 5 311 | 1 904 | 2 964 | 21 671 | 21 129 | 1 194 | 1 395 | 17 603 | 17 756 | 8 791 | 8 274 |
| International | | | | | | | | | | | | | | |
| Hidden Valley | 653 | 616 | 535 | 523 | 118 | 93 | 3 562 | 5 855 | 68 | 236 | 1 547 | 1 331 | 1 009 | 947 |
| Total international | 653 | 616 | 535 | 523 | 118 | 93 | 3 562 | 5 855 | 68 | 236 | 1 547 | 1 331 | 1 009 | 947 |
| Total continuing operations | 8 089 | 8 891 | 6 067 | 5 834 | 2 022 | 3 057 | 25 233 | 26 984 | 1 262 | 1 631 | 19 150 | 19 087 | 9 800 | 9 221 |
| Discontinued operations | | | | | | | | | | | | | | |
| Evander | — | 651 | — | 381 | — | 270 | — | 1 233 | — | 109 | — | 1 480 | — | 300 |
| Total discontinued operations | — | 651 | — | 381 | — | 270 | — | 1 233 | — | 109 | — | 1 480 | — | 300 |
| Total operations | 8 089 | 9 542 | 6 067 | 6 215 | 2 022 | 3 327 | 25 233 | 28 217 | 1 262 | 1 740 | 19 150 | 20 567 | 9 800 | 9 521 |
| Reconciliation of the segment information to the consolidated financial statements (refer to note 12) | — | (651) | — | (381) | | | 7 430 | 5 714 | | | | | | |
| | 8 089 | 8 891 | 6 067 | 5 834 | | | 32 663 | 33 931 | | | | | | |

* The interim December 2012 results have been restated due to a change in accounting policy. Refer to note 2 for details. The restatements to the comparative information have not been audited.

Production statistics are unaudited.

® Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R0 million (2012: R255 million).

(a) Includes Steyn 2.



Operating results (US\$/Imperial)

| | | Three months ended | South Africa | | | | | | | | | | | | | | | | Total South Africa | Hidden Valley* | Total Harmony |
|--------------------------|----------|--------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|--------------------|-----------------|-----------------|------------------|------------------|--------------------|------------------|--------------------|
| | | | Underground production | | | | | | | | | | | Surface production | | | | | | | |
| | | | Kusasa-lethu | Doornkop | Phakisa | Tshepong | Masimong | Target 1 | Bambanani | Joel | Unisel | Target 3 | Steyn 2 | Total underground | Phoenix | Dumps | Kalgold* | Total surface | | | |
| Ore milled | – t'000 | Dec-13 Sep-13 | 333 363 | 262 260 | 151 172 | 241 275 | 178 208 | 213 211 | 60 56 | 164 175 | 118 119 | 83 90 | 13 13 | 1 816 1 942 | 1 634 1 703 | 833 963 | 401 401 | 2 868 3 067 | 4 684 5 009 | 558 555 | 5 242 5 564 |
| Gold produced | – oz | Dec-13 Sep-13 | 36 652 40 896 | 28 035 24 595 | 22 698 24 274 | 30 929 33 726 | 21 991 24 370 | 39 899 34 755 | 22 409 20 030 | 21 670 22 409 | 16 461 15 304 | 11 253 12 603 | 4 726 4 694 | 256 723 257 656 | 6 977 7 234 | 7 266 9 549 | 10 127 10 417 | 24 370 27 200 | 281 093 284 856 | 24 820 24 917 | 305 913 309 773 |
| Yield | – oz/t | Dec-13 Sep-13 | 0.110 0.113 | 0.107 0.095 | 0.150 0.141 | 0.128 0.123 | 0.124 0.117 | 0.187 0.165 | 0.373 0.358 | 0.132 0.128 | 0.140 0.129 | 0.136 0.140 | 0.364 0.361 | 0.141 0.133 | 0.004 0.004 | 0.009 0.010 | 0.025 0.026 | 0.008 0.009 | 0.060 0.057 | 0.044 0.045 | 0.058 0.056 |
| Cash operating costs | – \$/oz | Dec-13 Sep-13 | 1 198 1 182 | 985 1 163 | 1 151 1 124 | 1 083 1 055 | 1 087 1 060 | 616 750 | 614 688 | 804 808 | 906 1 001 | 1 179 1 166 | 682 731 | 943 998 | 858 852 | 1 100 1 076 | 978 1 017 | 980 994 | 947 997 | 972 1 191 | 949 1 013 |
| Cash operating costs | – \$/t | Dec-13 Sep-13 | 132 133 | 105 110 | 173 159 | 139 129 | 134 124 | 115 124 | 229 246 | 106 103 | 126 129 | 160 163 | 248 264 | 133 132 | 4 4 | 10 11 | 25 26 | 8 9 | 57 57 | 43 53 | 55 56 |
| Gold sold | – oz | Dec-13 Sep-13 | 38 066 35 301 | 28 550 25 592 | 23 792 23 856 | 32 440 33 147 | 23 052 23 952 | 44 497 31 701 | 23 470 19 708 | 21 895 22 280 | 17 265 15 014 | 12 539 11 510 | 4 951 4 630 | 270 517 246 691 | 5 787 7 105 | 7 202 9 259 | 8 649 10 931 | 21 638 27 295 | 292 155 273 986 | 22 859 26 717 | 315 014 300 703 |
| Revenue | (\$'000) | Dec-13 Sep-13 | 48 847 47 304 | 36 047 34 360 | 30 334 31 959 | 41 347 44 445 | 29 381 32 048 | 56 902 42 499 | 29 906 26 414 | 27 975 29 831 | 22 002 20 137 | 16 033 15 416 | 6 311 6 179 | 345 085 330 592 | 7 437 9 565 | 9 579 12 478 | 11 176 14 724 | 28 192 36 767 | 373 277 367 359 | 29 013 36 079 | 402 290 403 438 |
| Cash operating costs | (\$'000) | Dec-13 Sep-13 | 43 915 48 327 | 27 618 28 596 | 26 130 27 279 | 33 483 35 572 | 23 903 25 839 | 24 570 26 082 | 13 760 13 784 | 17 416 18 097 | 14 913 15 320 | 13 265 14 700 | 3 222 3 431 | 242 195 257 027 | 5 987 6 163 | 7 993 10 275 | 9 904 10 596 | 23 884 27 034 | 266 079 284 061 | 24 121 29 671 | 290 200 313 732 |
| Inventory movement | (\$'000) | Dec-13 Sep-13 | 2 768 (8 667) | 1 251 364 | 1 595 (637) | 2 232 (873) | 1 622 48 | 5 105 (3 473) | 1 222 (167) | (621) (160) | 949 (240) | 2 772 (1 963) | 301 (102) | 19 196 (15 870) | (1 094) (32) | 14 (403) | (1 351) 257 | (2 431) (178) | 16 765 (16 048) | (2 049) 1 635 | 14 716 (14 413) |
| Operating costs | (\$'000) | Dec-13 Sep-13 | 46 683 39 660 | 28 869 28 960 | 27 725 26 642 | 35 715 34 699 | 25 525 25 887 | 29 675 22 609 | 14 982 13 617 | 16 795 17 937 | 15 862 15 080 | 16 037 12 737 | 3 523 3 329 | 261 391 241 157 | 4 893 6 131 | 8 007 9 872 | 8 553 10 853 | 21 453 26 856 | 282 844 268 013 | 22 072 31 307 | 304 916 299 320 |
| Operating profit | (\$'000) | Dec-13 Sep-13 | 2 164 7 644 | 7 178 5 400 | 2 609 5 317 | 5 632 9 746 | 3 856 6 161 | 27 227 19 890 | 14 924 12 797 | 11 180 11 894 | 6 140 5 057 | (4) 2 679 | 2 788 2 850 | 83 694 89 435 | 2 544 3 434 | 1 572 2 606 | 2 623 3 871 | 6 739 9 911 | 90 433 99 346 | 6 941 4 772 | 97 374 104 118 |
| Capital expenditure | (\$'000) | Dec-13 Sep-13 | 12 876 12 055 | 6 276 6 035 | 9 734 9 114 | 7 780 6 788 | 4 009 3 798 | 6 343 6 176 | 2 887 3 205 | 3 748 4 223 | 2 436 1 730 | 3 633 3 556 | 63 56 | 59 785 56 736 | 92 – | 243 13 | 1 246 806 | 1 581 819 | 61 366 57 555 | 1 885 4 868 | 63 251 62 423 |
| Adjusted operating costs | – \$/oz | Dec-13 Sep-13 | 1 256 1 171 | 1 064 1 173 | 1 197 1 138 | 1 131 1 066 | 1 141 1 132 | 684 726 | 666 708 | 795 823 | 946 1 031 | 1 299 1 124 | 739 734 | 996 1 006 | 846 863 | 1 112 1 066 | 1 015 1 003 | 1 002 988 | 996 1 004 | 969 1 177 | 994 1 019 |
| All-in sustaining costs | – \$/oz | Dec-13 Sep-13 | 1 640 1 560 | 1 281 1 416 | 1 546 1 554 | 1 409 1 306 | 1 376 1 339 | 854 956 | 742 778 | 921 937 | 1 147 1 190 | 1 618 1 468 | 811 790 | 1 231 1 251 | 861 863 | 1 187 1 101 | 1 210 1 123 | 1 109 1 048 | 1 222 1 230 | 1 209 1 607 | 1 222 1 264 |

* Comparative figures for these operations have been restated as a result of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. Refer to note 2 of the Rand Financial Statements.

Results for the second quarter FY14 and six months ended 31 December 2013

CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$) (Unaudited) (Convenience translation)

| | Quarter ended | | | Six months ended | | Year ended |
|---|---------------------|----------------------|------------------------------------|---------------------|------------------------------------|--------------------------------|
| | 31 December 2013 | 30 September 2013 | 31 December 2012 (Restated)* | 31 December 2013 | 31 December 2012 (Restated)* | 30 June 2013 (Restated)* |
| Figures in million | | | | | | |
| Continuing operations | | | | | | |
| Revenue | 402 | 403 | 532 | 805 | 1 051 | 1 803 |
| Cost of sales | (377) | (375) | (405) | (752) | (829) | (1 829) |
| Production costs | (305) | (299) | (341) | (604) | (689) | (1 283) |
| Amortisation and depreciation | (56) | (58) | (59) | (114) | (118) | (227) |
| Impairment of assets | – | – | – | – | – | (274) |
| Other items | (16) | (18) | (5) | (34) | (22) | (45) |
| Gross profit/(loss) | 25 | 28 | 127 | 53 | 222 | (26) |
| Corporate, administration and other expenditure | (10) | (11) | (13) | (21) | (26) | (53) |
| Social investment expenditure | (2) | (4) | (3) | (6) | (5) | (14) |
| Exploration expenditure | (11) | (14) | (18) | (25) | (35) | (76) |
| Profit on sale of property, plant and equipment | – | – | 8 | – | 15 | 16 |
| Other (expenses)/income – net | (14) | – | (5) | (14) | (5) | (40) |
| Operating (loss)/profit | (12) | (1) | 96 | (13) | 166 | (193) |
| Profit from associates | – | – | – | 1 | – | – |
| Impairment of investments | – | (1) | – | (1) | (6) | (10) |
| Net gain on financial instruments | 4 | 8 | 11 | 12 | 20 | 20 |
| Investment income | 5 | 5 | 4 | 10 | 8 | 21 |
| Finance cost | (6) | (6) | (9) | (12) | (15) | (29) |
| (Loss)/profit before taxation | (9) | 5 | 102 | (3) | 173 | (191) |
| Taxation | (1) | (4) | (25) | (5) | (44) | (69) |
| Normal taxation | – | (5) | (13) | (5) | (27) | (31) |
| Deferred taxation | (1) | 1 | (12) | – | (17) | (38) |
| Net (loss)/profit from continuing operations | (10) | 1 | 77 | (8) | 129 | (260) |
| Discontinued operations | | | | | | |
| Profit from discontinued operations | – | – | 9 | – | 20 | 36 |
| Net (loss)/profit for the period | (10) | 1 | 86 | (8) | 149 | (224) |
| Attributable to: | | | | | | |
| Owners of the parent | (10) | 1 | 86 | (8) | 149 | (224) |
| (Loss)/earnings per ordinary share (cents) | | | | | | |
| (Loss)/earnings from continuing operations | (2) | – | 18 | (2) | 29 | (60) |
| Earnings from discontinued operations | – | – | 2 | – | 5 | 8 |
| Total (loss)/earnings | (2) | – | 20 | (2) | 34 | (52) |
| Diluted (loss)/earnings per ordinary share (cents) | | | | | | |
| (Loss)/earnings from continuing operations | (2) | – | 18 | (2) | 29 | (60) |
| Earnings from discontinued operations | – | – | 2 | – | 5 | 8 |
| Total diluted (loss)/earnings | (2) | – | 20 | (2) | 34 | (52) |

* The comparative periods have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.

The currency conversion average rates for the quarter ended: December 2013: US\$1 = R10.12 (September 2013: US\$1 = R9.96, December 2012: US\$1 = R8.67). For year ended: June 2013: US\$1 = R8.82. Six months ended: December 2013: US\$1 = R10.04 (December 2012: US\$1 = R8.46).

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$) (Unaudited)

(Convenience translation)

| | Quarter ended | | | Six months ended | | Year ended |
|---|---------------------|----------------------|------------------------------------|---------------------|------------------------------------|--------------------------------|
| | 31 December 2013 | 30 September 2013 | 31 December 2012 (Restated)* | 31 December 2013 | 31 December 2012 (Restated)* | 30 June 2013 (Restated)* |
| Figures in million | | | | | | |
| Net (loss)/profit for the period | (10) | 1 | 86 | (8) | 149 | (224) |
| Other comprehensive income/(loss) for the period, net of income tax | 38 | (70) | 23 | (31) | 26 | 83 |
| Foreign exchange translation | 37 | (70) | 20 | (32) | 23 | 84 |
| Movements on investments | 1 | – | 3 | 1 | 3 | (1) |
| Total comprehensive income/(loss) for the period | 28 | (69) | 109 | (39) | 175 | (141) |
| Attributable to: | | | | | | |
| Owners of the parent | 28 | (69) | 109 | (39) | 175 | (141) |

* The comparative periods have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.

The currency conversion average rates for the quarter ended: December 2013: US\$1 = R10.12 (September 2013: US\$1 = R9.96, December 2012: US\$1 = R8.67). For year ended: June 2013: US\$1 = R8.82. Six months ended: December 2013: US\$1 = R10.04 (December 2012: US\$1 = R8.46).

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$) (Unaudited)

for the six months ended 31 December 2013 (Convenience translation)

| Figures in million | Share capital | Other reserves | Retained earnings | Total |
|---|---------------|----------------|-------------------|--------------|
| Balance – 30 June 2013 as previously reported | 2 708 | 331 | 50 | 3 089 |
| Restatement for IFRIC 20 | – | (2) | (7) | (9) |
| Restated balance – 30 June 2013 | 2 708 | 329 | 43 | 3 080 |
| Share-based payments | – | 14 | – | 14 |
| Net loss for the period | – | – | (7) | (7) |
| Other comprehensive loss for the period | – | (30) | – | (30) |
| Balance – 31 December 2013 | 2 708 | 313 | 36 | 3 057 |
| Balance – 30 June 2012 as previously reported | 3 333 | 287 | 389 | 4 009 |
| Restatement for IFRIC 20 | – | (2) | (11) | (13) |
| Restated balance – 30 June 2012 | 3 333 | 285 | 378 | 3 996 |
| Share-based payments | – | 15 | – | 15 |
| Net profit for the period | – | – | 147 | 147 |
| Other comprehensive income for the period | – | 27 | – | 27 |
| Dividends paid | – | – | (26) | (26) |
| Balance – 31 December 2012 | 3 333 | 327 | 499 | 4 159 |

The currency conversion closing rates for the six months ended 31 December 2013: US\$1 = R10.46 (December 2012: US\$1 = R8.50)

Note on convenience translations

Except where specific statements have been extracted from 2013 Annual Financial Statements, the requirements of IAS 21, The Effects of the Changes in Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial statements presented on pages 26 to 30.

Results for the second quarter FY14 and six months ended 31 December 2013

CONDENSED CONSOLIDATED BALANCE SHEETS (US\$) (Unaudited) (Convenience translation)

| | At 31 December 2013 | At 30 September 2013 | At 30 June 2013 (Restated)* | At 31 December 2012 (Restated)* |
|--|---------------------------|----------------------------|--------------------------------------|--|
| Figures in million | | | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3 123 | 3 205 | 3 279 | 3 991 |
| Intangible assets | 210 | 218 | 220 | 258 |
| Restricted cash | 4 | 4 | 4 | 4 |
| Restricted investments | 209 | 213 | 206 | 238 |
| Deferred tax assets | 9 | 9 | 10 | 65 |
| Investments in associates | 11 | 11 | 11 | – |
| Investments in financial assets | – | 4 | 5 | 19 |
| Inventories | 6 | 6 | 6 | 7 |
| Trade and other receivables | – | – | – | 2 |
| Total non-current assets | 3 572 | 3 670 | 3 741 | 4 584 |
| Current assets | | | | |
| Inventories | 136 | 147 | 142 | 126 |
| Trade and other receivables | 110 | 123 | 116 | 152 |
| Income and mining taxes | 10 | 10 | 13 | – |
| Restricted cash | 1 | – | – | – |
| Cash and cash equivalents | 222 | 228 | 209 | 295 |
| | 479 | 508 | 480 | 573 |
| Assets of disposal groups classified as held for sale | 4 | – | – | 215 |
| Total current assets | 483 | 508 | 480 | 788 |
| Total assets | 4 055 | 4 178 | 4 221 | 5 372 |
| EQUITY AND LIABILITIES | | | | |
| Share capital and reserves | | | | |
| Share capital | 2 708 | 2 820 | 2 837 | 3 333 |
| Other reserves | 313 | 278 | 347 | 327 |
| Retained earnings | 36 | 46 | 45 | 499 |
| Total equity | 3 057 | 3 144 | 3 229 | 4 159 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 287 | 298 | 303 | 385 |
| Provision for environmental rehabilitation | 193 | 198 | 200 | 225 |
| Retirement benefit obligation | 19 | 20 | 19 | 22 |
| Other provisions | 7 | 6 | 5 | 5 |
| Borrowings | 313 | 285 | 226 | 244 |
| Total non-current liabilities | 819 | 807 | 753 | 881 |
| Current liabilities | | | | |
| Borrowings | – | 29 | 28 | 35 |
| Income and mining taxes | – | 2 | – | 2 |
| Trade and other payables | 179 | 196 | 211 | 241 |
| | 179 | 227 | 239 | 278 |
| Liabilities of disposal groups classified as held for sale | – | – | – | 54 |
| Total current liabilities | 179 | 227 | 239 | 332 |
| Total equity and liabilities | 4 055 | 4 178 | 4 221 | 5 372 |

* The comparative periods have been restated due to a change in accounting policy. Refer to note 2 of the Rand financial statements for details.

The balance sheet for December 2013 converted at a conversion rate of US\$1 = R10.46 (September 2013: US\$1 = R10.05, June 2013: US\$1 = R9.98) December 2012: US\$1 = R8.50.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$) (Unaudited)

(Convenience translation)

| Figures in million | Quarter ended | | | Six months ended | | Year ended |
|---|------------------|-------------------|------------------|------------------|------------------|--------------|
| | 31 December 2013 | 30 September 2013 | 31 December 2012 | 31 December 2013 | 31 December 2012 | 30 June 2013 |
| Cash flow from operating activities | | | | | | |
| Cash generated by operations | 69 | 24 | 161 | 93 | 323 | 359 |
| Interest and dividends received | 3 | 3 | 4 | 6 | 7 | 16 |
| Interest paid | (2) | (3) | (4) | (5) | (8) | (14) |
| Income and mining taxes paid | (3) | – | (25) | (3) | (13) | (33) |
| Cash generated by operating activities | 67 | 24 | 136 | 91 | 309 | 328 |
| Cash flow from investing activities | | | | | | |
| Cash transferred to disposal group | – | – | (10) | – | (30) | – |
| Proceeds on disposal of investment in subsidiary | – | – | – | – | – | 139 |
| Purchase of investments | – | – | – | – | – | (9) |
| Other investing activities | – | (1) | (5) | (1) | (5) | (1) |
| Net additions to property, plant and equipment ¹ | (62) | (62) | (114) | (124) | (222) | (414) |
| Cash utilised by investing activities | (62) | (63) | (129) | (125) | (257) | (285) |
| Cash flow from financing activities | | | | | | |
| Borrowings raised | – | 61 | 40 | 61 | 80 | 80 |
| Borrowings repaid | – | – | (19) | (1) | (20) | (35) |
| Dividends paid | – | – | – | – | (26) | (50) |
| Cash generated/(utilised) by financing activities | – | 61 | 21 | 60 | 34 | (5) |
| Foreign currency translation adjustments | (11) | (3) | (8) | (13) | (7) | (45) |
| Net increase in cash and cash equivalents | (6) | 19 | 20 | 13 | 79 | (7) |
| Cash and cash equivalents – beginning of period | 228 | 209 | 275 | 209 | 216 | 216 |
| Cash and cash equivalents – end of period | 222 | 228 | 295 | 222 | 295 | 209 |

¹ Includes capital expenditure for Wafi-Golpu and other International projects of US\$0 in the December 2013 quarter (September 2013: US\$0) December 2012: US\$1 million) and US\$61 million in the year ended 30 June 2013.

The currency conversion average rates for the quarter ended: December 2013: US\$1 = R10.12 (September 2013: US\$1 = R9.96, December 2012: US\$1 = R8.67). For year ended: June 2013: US\$1 = R8.82. Six months ended: December 2013: US\$1 = R10.04 (December 2012: US\$1 = R8.46).

Closing balance translated to closing rates of: December 2013: US\$1 = R10.46 (September 2013: US\$1 = R10.05, June 2013: US\$1 = R9.98, December 2012: US\$1 = R8.50).

The cash flow statement for the year ended 30 June 2013 has been extracted from the 2013 Annual Report

Segment report (US\$/Imperial) (Unaudited)

for the six months ended 31 December 2013

| | Revenue 31 December 2013 2012 US\$ million | | Production cost* 31 December 2013 2012 US\$ million | | Production profit* 31 December 2013 2012 US\$ million | | Mining assets 31 December 2013 2012 US\$ million | | Capital expenditure 31 December 2013 2012 US\$ million | | Ounces produced 31 December 2013 2012 oz | | Tons milled 31 December 2013 2012 t'000 | |
|--------------------------------------|--|--------------|---|------------|---|------------|--|--------------|--|------------|--|----------------|---|---------------|
| Continuing operations | | | | | | | | | | | | | | |
| South Africa | | | | | | | | | | | | | | |
| Underground | | | | | | | | | | | | | | |
| Kusasaletu | 96 | 115 | 86 | 99 | 10 | 16 | 335 | 392 | 25 | 26 | 77 548 | 64 398 | 696 | 514 |
| Doornkop | 70 | 105 | 58 | 64 | 12 | 41 | 323 | 392 | 12 | 18 | 52 630 | 60 282 | 522 | 570 |
| Phakisa | 62 | 75 | 54 | 58 | 8 | 17 | 433 | 540 | 19 | 19 | 46 972 | 43 950 | 323 | 298 |
| Tshepong | 86 | 127 | 70 | 89 | 16 | 38 | 381 | 410 | 15 | 18 | 64 655 | 74 268 | 516 | 625 |
| Masimong | 61 | 109 | 51 | 61 | 10 | 48 | 98 | 117 | 8 | 10 | 46 361 | 63 594 | 386 | 526 |
| Target 1 | 100 | 116 | 52 | 55 | 48 | 61 | 257 | 318 | 13 | 23 | 74 654 | 69 349 | 424 | 392 |
| Bambanani | 69 | 50 | 35 | 36 | 34 | 14 | 84 | 118 | 6 | 8 | 51 859 | 29 289 | 142 | 107 |
| Joel | 58 | 97 | 35 | 41 | 23 | 56 | 34 | 31 | 8 | 9 | 44 079 | 56 264 | 339 | 354 |
| Unisel | 42 | 54 | 31 | 35 | 11 | 19 | 33 | 78 | 4 | 4 | 31 765 | 30 929 | 237 | 257 |
| Target 3 | 31 | 43 | 29 | 31 | 2 | 12 | 49 | 47 | 7 | 8 | 23 856 | 25 656 | 173 | 186 |
| Surface | | | | | | | | | | | | | | |
| All other surface operations | 65 | 87 | 50 | 58 | 15 | 29 | 45 | 43 | 2 | 24 | 51 570 | 52 886 | 5 935 | 5 294 |
| Total South Africa | 740 | 978 | 551 | 627 | 189 | 351 | 2 072 | 2 486 | 119 | 167 | 565 949 | 570 865 | 9 693 | 9 123 |
| International | | | | | | | | | | | | | | |
| Hidden Valley | 65 | 73 | 53 | 62 | 12 | 11 | 341 | 689 | 7 | 28 | 49 737 | 42 793 | 1 113 | 1 044 |
| Total international | 65 | 73 | 53 | 62 | 12 | 11 | 341 | 689 | 7 | 28 | 49 737 | 42 793 | 1 113 | 1 044 |
| Total continuing operations | 805 | 1 051 | 604 | 689 | 201 | 362 | 2 413 | 3 175 | 126 | 195 | 615 686 | 613 658 | 10 806 | 10 167 |
| Discontinued operations | | | | | | | | | | | | | | |
| Evander | – | 75 | – | 45 | – | 30 | – | 145 | – | 13 | – | 47 583 | – | 330 |
| Total discontinued operations | – | 75 | – | 45 | – | 30 | – | 145 | – | 13 | – | 47 583 | – | 330 |
| Total operations | 805 | 1 126 | 604 | 734 | 201 | 392 | 2 413 | 3 320 | 126 | 208 | 615 686 | 661 241 | 10 806 | 10 497 |

* The comparative periods have been restated following the adoption of IFRIC 20. Refer to note 2 for details.

DEVELOPMENT RESULTS (Metric)

Quarter ending December 2013

| | Reef Meters | Sampled Meters | Channel | | Gold (Cmg/t) |
|--|----------------|-------------------|-----------------|----------------|-----------------|
| | | | Width (Cm's) | Value (g/t) | |
| Tshepong | | | | | |
| Basal | 418 | 407 | 8.81 | 189.19 | 1 667 |
| B Reef | 249 | 213 | 85.90 | 9.75 | 838 |
| All Reefs | 667 | 620 | 35.26 | 39.22 | 1 383 |
| Phakisa | | | | | |
| Basal | 256 | 263 | 102.57 | 11.65 | 1 195 |
| Leader | 3 | 6 | 47.00 | 1.43 | 67 |
| All Reefs | 259 | 269 | 101.33 | 11.54 | 1 169 |
| Total Bambanani (Incl. Bambanani, Steyn 2) | | | | | |
| Basal | 16 | 16 | 58.71 | 11.68 | 685 |
| All Reefs | 16 | 16 | 58.71 | 11.68 | 685 |
| Bambanani | | | | | |
| Basal | 16 | 16 | 58.71 | 11.68 | 685 |
| All Reefs | 16 | 16 | 58.71 | 11.68 | 685 |
| Doornkop | | | | | |
| South Reef | 365 | 350 | 51.72 | 13.80 | 714 |
| All Reefs | 365 | 350 | 51.72 | 13.80 | 714 |
| Kusasaletu | | | | | |
| VCR Reef | 558 | 497 | 107.66 | 10.75 | 1 157 |
| All Reefs | 558 | 497 | 107.66 | 10.75 | 1 157 |
| Target | | | | | |
| Elsburg | 209 | 108 | 189.29 | 8.03 | 1 521 |
| Basal | 87 | 62 | 10.24 | 229.46 | 2 350 |
| A Reef | 83 | 41 | 141.95 | 7.38 | 1 047 |
| B Reef | 229 | 128 | 84.09 | 23.32 | 1 961 |
| All Reefs | 608 | 339 | 111.09 | 16.03 | 1 781 |
| Target 1 | | | | | |
| Elsburg | 132 | 64 | 251.70 | 7.14 | 1 797 |
| All Reefs | 132 | 64 | 251.70 | 7.14 | 1 797 |
| Target 3 | | | | | |
| Elsburg | 77 | 44 | 98.50 | 11.35 | 1 118 |
| Basal | 87 | 62 | 10.24 | 229.46 | 2 350 |
| A Reef | 83 | 41 | 141.95 | 7.38 | 1 047 |
| B Reef | 229 | 128 | 84.09 | 23.32 | 1 961 |
| All Reefs | 477 | 275 | 78.37 | 22.68 | 1 778 |
| Masimong 5 | | | | | |
| Basal | 386 | 348 | 48.63 | 15.87 | 772 |
| B Reef | 115 | 134 | 75.04 | 14.21 | 1 067 |
| All Reefs | 500 | 482 | 55.98 | 15.25 | 854 |
| Unisel | | | | | |
| Basal | 322.8 | 258 | 192.95 | 9.25 | 1 784 |
| Leader | 463.7 | 399 | 200.22 | 6.19 | 1 239 |
| Middle | 47.0 | 32 | 214.75 | 13.27 | 2 849 |
| All Reefs | 833 | 689 | 198.17 | 7.66 | 1 518 |
| Joel | | | | | |
| Beatrix | 260 | 258 | 157.88 | 8.50 | 1 342 |
| All Reefs | 260 | 258 | 157.88 | 8.50 | 1 342 |
| Total Harmony | | | | | |
| Basal | 1 485 | 1 354 | 73.00 | 19.00 | 1 387 |
| Beatrix | 260 | 258 | 157.88 | 8.50 | 1 342 |
| Leader | 466 | 405 | 197.95 | 6.17 | 1 222 |
| B Reef | 593 | 475 | 82.34 | 14.64 | 1 205 |
| A Reef | 83.4 | 41 | 141.95 | 7.38 | 1 047 |
| Middle | 47.0 | 32 | 214.75 | 13.27 | 2 849 |
| Elsburg | 208.7 | 108 | 189.29 | 8.03 | 1 521 |
| South Reef | 365 | 350.25 | 51.72 | 13.80 | 714 |
| VCR | 558 | 497 | 107.66 | 10.75 | 1 157 |
| All Reefs | 4 067 | 3 520 | 103.30 | 12.14 | 1 254 |

DEVELOPMENT RESULTS (Imperial)

Quarter ending December 2013

| | Reef (feet) | Sampled (feet) | Channel | | Gold (In.oz/t) |
|--|----------------|-------------------|-----------------|-----------------|-------------------|
| | | | Width (inch) | Value (oz/t) | |
| Tshepong | | | | | |
| Basal | 1 371 | 1 335 | 3 | 6.38 | 19 |
| B Reef | 818 | 697 | 34 | 0.28 | 10 |
| All Reefs | 2 189 | 2 032 | 14 | 1.13 | 16 |
| Phakisa | | | | | |
| Basal | 840 | 863 | 40 | 0.34 | 14 |
| Leader | 8 | 20 | 19 | 0.04 | 1 |
| All Reefs | 848 | 883 | 40 | 0.34 | 13 |
| Total Bambanani (Incl. Bambanani, Steyn 2) | | | | | |
| Basal | 52 | 52 | 23 | 0.34 | 8 |
| All Reefs | 52 | 52 | 23 | 0.34 | 8 |
| Bambanani | | | | | |
| Basal | 52 | 52 | 23 | 0.34 | 8 |
| All Reefs | 52 | 52 | 23 | 0.34 | 8 |
| Doornkop | | | | | |
| South Reef | 1 198 | 1 149 | 20 | 0.41 | 8 |
| All Reefs | 1 198 | 1 149 | 20 | 0.41 | 8 |
| Kusasaletu | | | | | |
| VCR Reef | 1 831 | 1 631 | 42 | 0.32 | 13 |
| All Reefs | 1 831 | 1 631 | 42 | 0.32 | 13 |
| Target | | | | | |
| Elsburg | 685 | 354 | 75 | 0.23 | 17 |
| Basal | 285 | 203 | 4 | 6.75 | 27 |
| A Reef | 273 | 135 | 56 | 0.21 | 12 |
| B Reef | 753 | 420 | 33 | 0.68 | 23 |
| All Reefs | 1 996 | 1 112 | 44 | 0.47 | 20 |
| Target 1 | | | | | |
| Elsburg | 432 | 210 | 99 | 0.21 | 21 |
| All Reefs | 432 | 210 | 99 | 0.21 | 21 |
| Target 3 | | | | | |
| Elsburg | 253 | 144 | 39 | 0.33 | 13 |
| Basal | 285 | 203 | 4 | 6.75 | 27 |
| A Reef | 273 | 135 | 56 | 0.21 | 12 |
| B Reef | 753 | 420 | 33 | 0.68 | 23 |
| All Reefs | 1 564 | 902 | 31 | 0.66 | 20 |
| Masimong 5 | | | | | |
| Basal | 1 265 | 1 142 | 19 | 0.47 | 9 |
| B Reef | 376 | 440 | 30 | 0.41 | 12 |
| All Reefs | 1 641 | 1 582 | 22 | 0.45 | 10 |
| Unisel | | | | | |
| Basal | 1 059 | 846 | 76 | 0.27 | 20 |
| Leader | 1 521 | 1 309 | 79 | 0.18 | 14 |
| Middle | 154 | 105 | 85 | 0.38 | 33 |
| All Reefs | 2 734 | 2 261 | 78 | 0.22 | 17 |
| Joel | | | | | |
| Beatrix | 853 | 846 | 62 | 0.25 | 15 |
| All Reefs | 853 | 846 | 62 | 0.25 | 15 |
| Total Harmony | | | | | |
| Basal | 4 871 | 4 441 | 29.00 | 0.55 | 15.93 |
| Beatrix | 853 | 846 | 62.00 | 0.25 | 15.41 |
| Leader | 1 530 | 1 329 | 78.00 | 0.18 | 14.03 |
| B Reef | 1 947 | 1 558 | 32.00 | 0.43 | 13.84 |
| A Reef | 273 | 135 | 56.00 | 0.21 | 12.02 |
| Middle | 154 | 105 | 85.00 | 0.38 | 32.72 |
| Elsburg | 685 | 354 | 75.00 | 0.23 | 17.46 |
| South Reef | 1 198 | 1 149 | 20.00 | 0.41 | 8.19 |
| VCR | 1 831 | 1 631 | 42.00 | 0.32 | 13.29 |
| All Reefs | 13 342 | 11 548 | 41.00 | 0.35 | 14 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 03, 2014

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott
Title: Financial Director